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BARBED WIRE AND BARBLESS WIRE STRAND FROM ARGENTINA

Determination of the Commission
in Investigation No. 731-TA-208
(Final) Under the Tariff Act
of 1930, Together With
the Information Obtained
in the Investigation

COMPLETED

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OCTOBER 1985

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. Deletions are indicated by asterisks.

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. 731-TA-208 (Final)

BARBED WIRE AND BARBLESS WIRE STRAND FROM ARGENTINA

Determination

On the basis of the record 1/ developed in the subject investigation, the Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)), that an industry in the United States is materially injured 2/ by reason of imports from Argentina of barbed wire and barbless wire strand, provided for in items 642.02 and 642.11 of the Tariff Schedules of the United States, which have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

Background

The Commission instituted this investigation effective May 2, 1985, following a preliminary determination by the Department of Commerce that imports of barbed wire and barbless wire strand from Argentina were being sold at LTFV within the meaning of section 731 of the Act (19 U.S.C. § 1673). Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of May 30, 1985 (50 F.R. 23083). The hearing was held in Washington, DC, on September 23, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

1/ The record is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(i)).

2/ Vice Chairman Liebeler dissenting.

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VIEWS OF CHAIRWOMAN STERN, COMMISSIONER ECKES,
COMMISSIONER LODWICK, AND COMMISSIONER ROHR

We have determined that an industry in the United States is materially injured by reason of imports of barbed wire and barbless wire strand from Argentina which have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV). 1/

In the following analysis, we explain our finding that there is one like product, and the appropriate industry for the purpose of making a material injury assessment consists of the domestic producers of barbed wire and barbless wire strand. We then discuss the manner by which LTFV imports from Argentina have adversely affected the domestic barbed wire industry.

Domestic industry

As a threshold inquiry, the Commission is required to identify the domestic industry to be examined for the purpose of making an assessment of material injury. Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 2/ Section 771(10), in turn, defines "like product" as a "product which is like, or in the absence of like, most similar in characteristics and uses with, the articles subject to an investigation . . . ." 3/

The imported products covered by these investigations are barbed wire and barbless wire strand, which are galvanized steel products produced from low

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1/ Material retardation was not an issue in this investigation and will not be discussed further.

2/ 19 U.S.C. § 1677(4)(A).

3/ 19 U.S.C. § 1677(10).

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carbon steel wire rod. There are two major categories of barbed wire--low tensile and high tensile. Both are rated by the American Society of Testing of Materials for 950 pounds minimum breaking strength. The useful lives of these two types of barbed wire are similar. 4/

Both imported and domestic barbed wire and barbless wire strand typically range in size from 12-1/2 to 18-gauge material. These products are produced by first drawing carbon steel rods into wire through dies, then passing the wire through a molten zinc bath so that it will be corrosion resistant. Two strands of wire are then fed into a machine that twists the wires around each other. When producing barbed wire, a third and sometimes a fourth wire is fed into the machine, wrapped around the two twisted wires, and cut to form barbs. 5/

In the preliminary investigation we determined that low tensile barbed wire, high tensile barbed wire, and barbless wire strand constitute a single product which is like the imported product. Consequently, we concluded that the domestic industry consists of the U.S. producers of low tensile barbed wire, high tensile barbed wire, and barbless wire strand. 6/ That determination was based on the nearly identical characteristics of these types of fencing wire and the equivalent uses to which they are put. All three types of barbed and barbless wire are produced from the same raw material. They are all used primarily for fencing in agricultural applications 7/ and

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4/ Report of the Commission (Report) at A-3.

5/ Id. at A-4.

6/ Barbed Wire and Barbless Wire Strand from Argentina, Brazil, and Poland, Invs. Nos. 731-TA-208, 209, and 210 (Preliminary), USITC Pub. 1631 at 3-5 (Jan. 1985).

7/ The primary reason for selecting barbless over barbed wire is the type of livestock that the purchaser will fence in. Barbless wire is used to restrain show horses or other animals that could be seriously harmed by barbs, while barbed wire is used for cattle. Report at A-3.

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have a similar useful life. They all pass through similar production processes, up until the final stage of production, and are distributed to the consumer through the same channels of distribution. None of the parties to this investigation has objected to this determination and we again conclude that there is one like product and one domestic industry producing barbed wire and barbless wire strand. 8/

Condition of the domestic industry

Under section 735 of the Tariff Act of 1930, the Commission is required to determine whether a domestic industry producing the like product is materially injured or threatened with material injury. 9/ In making a determination as to the condition of a domestic industry, the Commission considers, among other factors, changes in U.S. production, capacity, capacity utilization, employment, wages and other compensation, domestic market share, domestic prices, and profitability. 10/

Apparent U.S. consumption increased temporarily in 1983, but was at essentially the same level in 1984 as it was in 1982. However, many of the indicators of the condition of the domestic industry, though already low in

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8/ In 1984, 9 firms produced barbed wire and/or barbless wire strand in 12 plants in the United States. The nine firms and the location of their production facilities are as follows: Bekaert Steel & Wire Co., Van Buren, AR; CF&I Steel Corp., Pueblo, CO; Continental Steel Corp., Kokomo, IN; Davis Walker Corp., Los Angeles, CA, Hayward, CA, and Kent, WA; Forbes Steel & Wire Corp., Canonsburg, PA and Wilmington, DE; Keystone Consolidated Ind., Inc., Peoria, IL; Nagle Wire Corp. of Colorado, Rocky Ford, CO; Northwestern Steel & Wire Co., Sterling, IL; and Oklahoma Steel & Wire Co., Inc., Madill, OK. Armco, Inc., Middleton, OH, and Atlantic Steel Co., Atlanta, GA, ceased production of barbed wire and barbless wire strand in 1983. Id. at A-5-A-6.

9/ 19 U.S.C. § 1673(d). The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant." 19 U.S.C. § 1677(7).

10/ 19 U.S.C. § 1677(7)(C)(iii).

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1982, were substantially lower in 1984. Production dropped from 71,609 tons to 62,966 between 1982 and 1984, a 12 percent decline. 11/ Moreover, production declined by an additional 12 percent in January-March 1985 compared with the corresponding period of 1984. 12/ While domestic capacity remained relatively stable during the period of investigation--approximately 171,000 tons--capacity utilization, which was below 51 percent throughout the period of investigation, has declined since 1982, reaching 36.8 percent in 1984. 13/

The number of workers employed by the domestic industry declined from 183 to 168 between 1982 and 1984, and five U.S. producers reported lay offs during the period of investigation. 14/ Average wages decreased steadily from 1982 to 1984, while average weekly hours and total hourly compensation decreased irregularly during that period. 15/

During the period of investigation, the market share of the domestic industry has dropped steadily, from 80.5 percent in 1982 to 69.8 percent in 1984, before recovering somewhat in the first quarter of 1985. 16/ Domestic prices have remained relatively stable or have declined somewhat throughout the period of investigation. 17/

Net sales by the domestic industry, as reported in questionnaire responses, fell from 60,134 tons in 1982 to 41,533 tons in 1984--a 33 percent decline. 18/ Further, the domestic industry has incurred aggregate operating

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11/ Report at A-7.
12/ Id.
13/ Id.
14/ Id. at A-11-A-13, Table 4. We note employment did increase moderately in the first quarter of 1985.
15/ Id. at A-11.
16/ We note that this modest recovery occurred after initiation of this investigation and others brought against imports from Brazil and Poland. Id. at A-29, Table 16.
17/ Id. at A-30.
18/ Id. at A-15, Table 6.

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losses of over 1.5 million dollars in 1982, 1983, and 1984. 19/ They have also sustained negative cash flows from their barbed wire operations in each reporting period. 20/

Based upon our evaluation of the available data, we have determined that the domestic industry is suffering material injury. 21/ 22/

Material injury by reason of LTFV imports from Argentina

In making a determination whether the domestic industry is being materially injured "by reason of" LTFV imports from Argentina, the Commission considers, among other factors, the volume of imports, the effect of imports on prices in the United States for the like product, and the effect of such imports on the relevant domestic industry. 23/ Evaluation of these factors involves a consideration of (1) whether the volume of imports or increase in

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19/ Id.

20/ Id.

21/ Chairwoman Stern does not believe it necessary or desirable to make a determination on the question of material injury separate from the consideration of causality. She joins her colleagues by concluding that the domestic industry is experiencing economic problems.

22/ Commissioner Eckes believes that the Commission is to make a finding regarding the question of material injury in each investigation. The Court of International Trade recently held that:

> The Commission must make an affirmative finding only when it finds both (1) present material injury (or threat to or retardation of the establishment of an industry) and (2) that the material injury is 'by reason of' the subject imports. Relief may not be granted when the domestic industry is suffering material injury but not by reason of unfairly traded imports. Nor may relief be granted when there is no material injury, regardless of the presence of dumped or subsidized imports of the product under investigation. In the latter circumstance, the presence of dumped or subsidized imports is irrelevant, because only one of the two necessary criteria has been met, and any analysis of causation of injury would thus be superfluous.

American Spring Wire Corp. v. United States, 590 F. Supp. 1273, 1276 (Ct. Int'l Trade 1984) (emphasis supplied), aff'd sub nom., Armco, Inc. v. United States, 760 F.2d 249 (Fed. Cir. 1985).

23/ 19 U.S.C. § 1677(B).

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volume is significant, (2) whether there has been significant price undercutting by the imported products, and (3) whether imports have otherwise depressed prices to a significant degree or prevented price increases. 24/ On the basis of the available data, we have concluded that there is a causal connection between the material injury to the domestic industry and LTFV imports from Argentina. 25/ 26/

Imports of barbed wire and barbless wire strand from Argentina increased substantially during the period of investigation, both in terms of volume and market share. Between 1982 and 1984, imports increased from 506 tons to 3,739 tons--more than a 600 percent increase. 27/ Moreover, market penetration simultaneously increased from 0.5 percent of the U.S. market in 1982 to 4.0 percent in 1984. 28/ The increased imports from Argentina represent one third of the overall growth of imports during the period of investigation. 29/

Imports from Argentina have consistently undersold the domestic product by margins ranging from a low of 9.1 percent to a high of 58.3

24/ 19 U.S.C. § 1677(7)(C).

25/ The petitioner has argued that the Commission should cumulate imports from Argentina with those from Poland and Brazil. We have declined to do so because the petitions against imports from Poland and Brazil have been withdrawn and those countries have entered into voluntary restraint agreements with the U.S. Government. With the withdrawal of those petitions, imports from Poland and Brazil are no longer "subject to investigation" and cumulation is not warranted. See 19 U.S.C. § 1677(7)(C)(iv); Certain Welded Carbon Steel Pipes and Tubes from Thailand and Venezuela, Invs. Nos. 701-TA-242 and 731-TA-292 and 253 (Preliminary), USITC Pub. 1680 (Apr. 1985); Certain Carbon Steel Products from Austria and Sweden, Invs. Nos. 701-TA-225, 227-228, 230-231 and 731-TA-219 (Final), USITC Pub. 1759 (Sept. 1985).

26/ Commissioner Lodwick does not believe it necessary to reach the cumulation issue since he has determined that imports from Argentina are separately causing material injury.

27/ Report at A-23.

28/ Id. at A-27. Although first quarter 1985 figures indicate a decline in volume and market penetration for Argentina imports, such figures may be the result of the chilling effect of an ongoing investigation.

29/ Id. at A-25, Table 13.

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percent. 30/ 31/ Moreover, the average unit value of Argentine imports has declined substantially from $580 per ton in 1982 to $395 per ton in 1984. 32/ Thus, the increased market penetration corresponds with significant declines in price and unit value. In addition, the increased volume and declining prices of Argentine imports in the U.S. market correspond with significant decreases in consumption in Argentina beginning in 1983. 33/

Conclusion

On the basis of the foregoing discussion and the information of record in this investigation, we have determined that the U.S. barbed wire and barbless wire stand industry is materially injured by reason by imports of barbed wire and barbless wire stand from Argentina being sold in the United States at less than fair value.

30/ Id. at A-32-A-34, Tables 17-20.

31/ Chairwoman Stern notes that the weighted-average LTFV margin of 69.02 percent ad valorem substantially accounts for the ability of the subject imports to undersell the domestic competition. Id. at A-2. The combination of increased market penetration of Argentine imports, which occurred only through significant price undercutting, and significant dumping margins play a key role in her causation analysis.

32/ Id. at A-25, Table 13.

33/ Id. at A-23-A-25, Tables 12-13.

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DISSENTING VIEWS OF VICE CHAIRMAN LIEBELER

Based on the record in Investigation No. 731-TA-208 (final), I determine that a domestic industry is not materially injured, or threatened with material injury, by reason of imports of barbed wire and barbless wire strand from Argentina.[1] I join in my colleagues' discussion of like product, domestic industry, and condition of the industry.

In Certain Red Raspberries from Canada, I developed a framework for examining causation in Title VII investigations.[2] In Raspberries, I described that approach as follows:

> The stronger the evidence of the following . . . the more likely that an affirmative determination will be made: (1) large and increasing market share, (2) high dumping margins, (3) homogeneous products, (4) declining prices and (5) barriers to entry to other foreign producers (low elasticity of supply of other imports).[3]

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[1]Material retardation is not an issue in this investigation.

[2]Inv. No. 731-TA-196 (Final), USITC Pub. 1680, (1985) Additional Views of Vice Chairman Liebeler.

[3]Id. at 16.

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These factors, when viewed together, serve as proxies for the inquiry that Congress has directed the Commission to undertake: whether foreign firms are engaging in unfair price discrimination practices that cause material injury to a domestic industry.[4]

The starting point for the five factor approach is import penetration data. This factor is relevant because unfair price discrimination, has as its goal, and cannot take place in the absence of, market power. A moderate and stable market share over time is inconsistent with this quest for market power. In the instant case, the data indicate that the import penetration ratio was very low during the entire period of investigation, although the ratio did increase somewhat during the period.[5]

The second factor is a high margin of dumping. The higher the margin of dumping, cetaris paribus,

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[4]Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

[5]Report at Table 16. The import penetratio dropped during interim 1985 (January-March).

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the more likely it is that the product is being sold below marginal cost. The margin of dumping is determined by the Department of Commerce. This was determined to be 69.02 percent.

The third factor is the homogeneity of the products. The more homogeneous are the products, the greater will be the effect of any allegedly unfair practice on domestic producers. No argument has been put forth indicating that the imports and domestic products are heterogeneous.

The fourth factor is declining domestic prices. Evidence of declining domestic prices, cetaris parabis, might indicate that domestic producers were lowering their prices to maintain market share. In all product specifications for which the Commission received price data, a slight price decline has occurred.

The fifth factor is barriers to entry. The presence of barriers to entry makes it more likely that a producer can gain market power. No such barriers exist in this case. Argentina accounted for 13.0 percent of total imports in 1983 and 13.2

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percent in 1984.[6] In 1984, four countries exported more of the subject product to the U.S. than Argentina.[7]

The determination must be made on a case by case basis. Two of the factors in the instant case favor an affirmative determination: high dumping margins and homogeneous products. Data with respect to the domestic price declines favors the domestic industry but is insufficient to overcome the absence of (1) large and increasing market share and (2) barriers to entry. These last two factors are the most important in any discussion of market power and the ability to unfairly price discriminate. I conclude that imports of barbed wire and barbless wire strand from Argentina that are being sold at less than fair value do not cause or threaten to cause material injury to the domestic industry.

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[6]For January-March 1985, the ratio was 9.8 percent.

[7]Report at Table 13.

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INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On November 19, 1984, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel on behalf of Forbes Steel & Wire Corp., Canonsburg, PA, alleging that barbed wire and barbless wire strand 1/ from Argentina, Brazil, and Poland, provided for in items 642.02 and 642.11, respectively, of the Tariff Schedules of the United States (TSUS), are being, or are likely to be, sold in the United States at less than fair value (LTFV). 2/ Accordingly, effective November 19, 1984, the Commission instituted investigations Nos. 731-TA-208, 209, and 210 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)) to determine whether there was a reasonable indication that an industry in the United States was materially injured, or was threatened with material injury, or the establishment of an industry in the United States was materially retarded, by reason of imports of such merchandise from Argentina, Brazil, and Poland.

On January 2, 1985, the Commission determined that there was a reasonable indication that an industry in the United States was materially injured by reason of imports of barbed wire and barbless wire strand from Argentina, Brazil, and Poland. 3/

On May 2, 1985, the Department of Commerce notified the Commission of its preliminary determinations that the subject products from Argentina, Brazil, and Poland are being, or are likely to be, sold in the United States at LTFV, and that "critical circumstances" do not exist with respect to imports of the merchandise subject to investigation. 4/ Accordingly, the Commission instituted investigations Nos. 731-TA-208, 209, and 210 (Final), effective May 2, 1985, to determine whether an industry in the United States is materially injured or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of imports of such merchandise.

Notice of the institution of the Commission's final investigations and of a hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of May 30, 1985 (50 F.R. 23083). 5/

1/ The Department of Commerce has described these products as barbed wire and barbless fencing wire. For purposes of the Commission's investigations, these products are described as low tensile and high tensile barbed wire and loosely twisted double wire strand suitable for fencing purposes.

2/ Three additional U.S. manufacturers, CF&I Steel Corp., Pueblo, CO, Davis Walker Corp., Los Angeles, CA, and Oklahoma Steel Wire & Co., Inc., Madill, OK, are also in support of the petition.

3/ The Commission's preliminary determinations were published in the Federal Register (50 F.R. 1135) on Jan. 9, 1985.

4/ A copy of Commerce's preliminary determinations was published in the Federal Register (50 F.R. 18902) on May 3, 1985.

5/ A copy of the Commission's notice is presented in app. A.

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On June 7, 1985, Commerce postponed the date for its final determinations in the investigations of imports from Argentina and Brazil to September 16, 1985. On July 15, 1985, the Commission received a letter from counsel for the petitioner withdrawing the petition relating to imports of the subject merchandise from Poland. Accordingly, on July 22, 1985, the Commission published notice in the Federal Register (50 F.R. 29770) of its termination of investigation No. 731-TA-210 (Final), concerning imports from Poland, and rescheduling of the hearing to be held in connection with investigations Nos. 731-TA-208 and 209 (Final) concerning imports from Argentina and Brazil. 1/

On July 29, 1985, the Commission received a letter from counsel for the petitioner withdrawing the petition relating to imports of the subject merchandise from Brazil. Accordingly, on August 14, 1985, the Commission published notice in the Federal Register (50 F.R. 32775) of its termination of investigation No. 731-TA-209 (Final), concerning imports from Brazil. 2/

On September 23, 1985, Commerce published notice in the Federal Register (50 F.R. 38563) of its final determination that barbed wire and barbless wire strand from Argentina are being sold in the United States at LTFV, and that "critical circumstances" do not exist with respect to such imports. The weighted-average LTFV margin was 69.02 percent ad valorem. 3/

In connection with the Commission's investigation, a public hearing was held in Washington, DC, on September 23, 1985. 4/ The briefing and vote was held on October 21, 1985. The Commission established an administrative deadline of October 30, 1985, for issuing its final determination; the statutory deadline is November 6, 1985.

Previous Investigations

Barbed wire and barbless wire strand have not been the subject of previous antidumping or countervailing duty investigations but were among the products included in the Commission's recent investigation No. TA-201-51, Carbon and Certain Alloy Steel Products. 5/ On the basis of information developed in that investigation, the Commission, on July 24, 1964, notified the President of its determination that certain products (including wire and wire products) were being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industries producing articles like or directly competitive with the imported articles. 6/

1/ A copy of the Commission's notice is presented in app. A.
2/ A copy of the Commission's notice is presented in app. A.
3/ A copy of Commerce's final determination is presented in app. A.
4/ A list of witnesses appearing at the hearing is presented in app B.
5/ Carbon and Certain Alloy Steel Products (Investigation No. TA-201-51), USITC Publication 1553, July 1984.
6/ Chairwoman Stern and Vice Chairman Liebeler dissented.

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The Products

Description and uses

Barbed wire and barbless wire strand are galvanized steel products used in various fencing applications. Approximately 90 percent of barbed wire is consumed in agricultural applications, approximately 5 percent is consumed in industrial security applications, and the remaining 5 percent is consumed in government applications. 1/ Barbless wire strand, which in 1984 accounted for 3 percent of aggregate U.S. consumption of barbed wire and barbless wire strand, is typically used in applications in which barbs would cause harm to certain livestock, such as show horses.

The American Society for Testing of Materials identifies two major categories of barbed wire--low tensile (also known as "Iowa" or standard) and high tensile (also known as "Gaucho"). Both are rated for 950 pounds of minimum breaking strength.

Low tensile barbed wire was the original barbed wire used in the United States, and in 1984 it accounted for 67 percent of aggregate U.S. consumption of barbed wire and barbless wire strand. 2/ It is made of low-carbon steel rod, having a 0.08 to 0.10 percent carbon content. Low tensile barbed wire is chiefly 12.5-gauge (0.099 inch in diameter), 4-point material. It is typically sold in 80-pound, 1,320-foot reels (also known as rolls or spools).

High tensile barbed wire was first produced in the United States in 1972, and in 1984 accounted for 30 percent of aggregate U.S. consumption of barbed wire and barbless wire strand. 3/ It is also made of low-carbon steel rod, having a 0.18 to 0.22 percent carbon content. High tensile barbed wire is chiefly 15.5-gauge (0.067 inch in diameter), 4-point material. It is typically sold in 43.5-pound, 1,320-foot reels. High tensile barbed wire is lighter in weight than low tensile wire, which can result in lower cost per linear foot installed; however, the high tensile wire presents a greater risk of injury to the user if it recoils during installation.

The useful life of the subject merchandise varies according to the presence of corrosive elements in the environment and the quality and thickness of the outer corrosion-resistant zinc coating and inner steel alloy content. Although high tensile wire has a heavier zinc coating than low tensile wire, the latter has a thicker steel alloy center; thus, given identical environments, the useful lives of the two types of barbed wire are similar.

1/ Information obtained during Sept. 26, 1985, telephone conversations with * * *.

2/ Low tensile barbed wire has a tensile strength of 61,700 pounds per square inch (psi).

3/ High tensile barbed wire has a tensile strength of 135,000 psi.

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Manufacturing process

Three principal stages are involved in the production of barbed wire. First, the carbon steel rods are drawn into wire through dies, thereby increasing the strength and ductility of the wire and diminishing its cross-sectional area. Both low and high tensile wire can be produced on the same wire drawing machines, although different dies are used to produce the lower gauge, low tensile wire than are used to produce the higher gauge, high tensile wire. Furthermore, the high tensile wire drawing machines run at slower speeds.

The drawn wire is then passed through a molten-zinc bath where a corrosion-resistant zinc coating is applied. A gas-gravel wipe system is used in the production of the high tensile wire. This system leaves a heavier zinc coating than the conventional galvanizing system employed in producing the low tensile wire.

Two strands of the wire are then fed into a barbed wire machine that evenly twists the wires under tension; the resulting product is twisted barbless wire strand. When producing barbed wire, a third wire--and a fourth, in the case of 4-point barbed wire--is fed into the machine, wrapped around one and/or both of the twisted wires, and cut to form the barbs. The low tensile barbed wire twists in one direction, whereas the high tensile barbed wire is reverse twisted by alternating clockwise and counterclockwise twists between barbs. Different barbed wire machines are used in the production of low tensile and high tensile barbed wire. The wire, which ranges in size from 12.5- to 18-gauge material and commonly has barbs spaced at intervals of 4 or 5 inches, is then coiled into reels and wrapped in a protective cover for shipment.

U.S. tariff treatment

Imports of barbed wire are classified in item 642.02 of the TSUS. Such imports are free of duty regardless of country of origin. Imports of the barbless wire strand subject to these investigations are classified and reported in item 642.1105 of the Tariff Schedules of the United States Annotated. This provision covers wire strand of iron or steel, of loosely twisted double wire, suitable for fencing purposes, not fitted with fittings, not made up into articles, and not covered with textile or other nonmetallic material. The column 1 rate of duty under TSUS item 642.11 is 5.6 percent ad valorem, the column 2 rate of duty for products of Communist countries (enumerated in general headnote 3(d)) is 35 percent ad valorem, and the least developed developing country (LDDC) rate of duty is 4.9 percent ad valorem. The column 1 rate of duty under TSUS item 642.11 is scheduled for staged reductions through 1987, when it will reach the final rate of 4.9 percent ad valorem. Imports under item 642.11 are not eligible for benefits of the Generalized System of Preferences (GSP), but products of designated beneficiary countries may be entered free of duty pursuant to the Caribbean Basin Economic Recovery Act (CBERA). Imports from Israel are also free of duty pursuant to the United States-Israel Free Trade Area Implementation Act of 1985.

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Nature and Extent of Sales at LTFV

On September 23, 1985, the Department of Commerce published its final affirmative LTFV determination concerning the subject merchandise from Argentina. The weighted-average margin on all sales was 69.02 percent ad valorem. Commerce also determined that the alleged "critical circumstances" did not exist in this case. Commerce's investigation covered the review period of June 1, 1984, through November 30, 1984, and was based on an examination of all sales by Acindar, which accounted for substantially all Argentine exports of the subject merchandise to the United States.

Commerce made fair-value comparisons for all sales of merchandise to the United States during the period of investigation. Comparisons were based on the U.S. price and foreign market value. Commerce used the purchase price of the subject merchandise to represent the U.S. price because the merchandise was sold to unrelated U.S. purchasers prior to its importation into the United States. Foreign market value was based on home-market prices.

In accordance with section 733(d) of the Tariff Act of 1930, Commerce directed the U.S. Customs Service to continue to suspend liquidation of all entries of the subject merchandise from Argentina, and to collect a cash deposit equal to 69.02 percent of the entered value of the merchandise.

U.S. Producers

In 1984, 9 firms produced barbed wire and/or barbless wire strand in 12 plants in the United States. 1/ The names of the U.S. producers, the locations of their production facilities, and their production in 1984 are shown in the following tabulation (in short tons): 2/

Firm and plant location	Production
Bekaert Steel & Wire Co., 1/	
Van Buren, AR	***
CF&I Steel Corp., 2/	
Pueblo, CO	***
Continental Steel Corp.,	
Kokomo, IN	***
Davis Walker Corp., 2/	
Los Angeles, CA,	
Hayward, CA, and Kent, WA	***
Forbes Steel & Wire Corp., 2/	
Canonsburg, PA, and	
Wilmington, DE	***
Keystone Consolidated Ind. Inc.,	
Peoria, IL	***
Nagle Wire Corp. of Colorado,	
Rocky Ford, CO	***

See footnotes at end of tabulation.

1/ Armco, Inc., Middletown, OH., and Atlantic Steel Co., Atlanta, GA, ceased production of barbed wire and barbless wire strand in 1983.

2/ Unless otherwise noted, the term "ton" refers to a short ton (2,000 pounds).

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Northwestern Steel & Wire Co., Sterling, IL	***
Oklahoma Steel & Wire Co., Inc., 2/ Madill, OK	***
Total	62,966

1/ * * *.
2/ In support of the petition.

U.S. Importers

In the Commission's final investigation, data were obtained from seven firms that imported the subject merchandise from Argentina during the period of the investigation. According to official statistics of the U.S. Department of Commerce, in 1984 these firms accounted for * * * percent of U.S. imports of barbed wire from Argentina. The largest responding importers are * * *.

The U.S. Market

Channels of distribution

U.S. producers of barbed wire and barbless wire strand generally sell either to distributors, who in turn sell to wholesalers, or sell directly to wholesalers. Wholesalers typically offer the subject merchandise within a product line of fencing and agricultural supplies to retailers such as farm supply, hardware, and lumber chain stores. Farm cooperatives and retailers may purchase large orders directly from the manufacturers. Importers of barbed wire and barbless wire strand typically sell only to distributors or wholesalers. Wholesalers often purchase both the domestic and imported products and may sell both to the same retailer. Data on the channels of distribution, compiled from responses to the Commission's questionnaires, are shown in the following tabulation (data are for 1984):

	Percent of total sales by producers--			
Channel of distribution	Low tensile	High tensile	Barbless wire	Total wire
Wholesalers/distributors	60	54	60	59
Farm cooperatives	29	35	39	30
Other 1/	11	11	1	11
Total	100	100	100	100

	Percent of total sales by importers--			
Channel of distribution	Low tensile	High tensile	Barbless wire	Total wire
Wholesalers/distributors	100	100	100	100
Farm cooperatives	0	0	0	0
Other 1/	0	0	0	0
Total	100	100	100	100

1/ Includes sales to lumber chain stores, farm supply stores (other than peratives), and the Federal Government.

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Apparent consumption

Apparent U.S. consumption of barbed wire and barbless wire strand increased from 94,618 tons in 1982 to 109,982 tons in 1983, or by 16 percent, and then declined in 1984 to 93,756 tons, down 15 percent from consumption in 1983 (table 1). Apparent consumption was 28,332 tons in January-March 1985, representing a 6-percent decline from the 30,222 tons in January-March 1984. Apparent consumption of low tensile wire increased * * * percent from 1982 to 1983, then dropped * * * percent from 1983 to 1984. Consumption of high tensile wire increased * * * percent from 1982 to 1983, and contrary to the overall trend, rose slightly from 1983 to 1984. Consumption of both low tensile and high tensile wire was lower in January-March 1985 than in January-March 1984. Reported consumption of barbless wire increased steadily from 1982 to 1984, then decreased in January-March 1985 compared with such consumption in January-March 1984.

The Question of Material Injury

U.S. production, capacity, and capacity utilization

U.S. production of barbed wire and barbless wire strand increased from 71,609 tons in 1982 to 78,276 tons in 1983, or by 9 percent (table 2). Total production dropped to 62,966 tons in 1984, or by 20 percent compared with production in 1983. Such production was 12 percent lower in January-March 1985 compared with production in the corresponding period of 1984. Both low and high tensile barbed wire production declined irregularly during the period of investigation. Low tensile wire production increased * * * percent from 1982 to 1983, and then fell * * * percent in 1984. High tensile wire production increased * * * percent from 1982 to 1983, and then fell * * * percent in 1984. Compared with production in January-March 1984, production in January-March 1985 was * * * percent lower for low tensile wire and * * * percent lower for high tensile wire. In contrast to barbed wire production trends, barbless wire production increased steadily, rising * * * percent from 1982 to 1983 and * * * percent from 1983 to 1984, before decreasing * * * percent in January-March 1985 compared with such production in the corresponding period of 1984.

U.S. capacity to produce barbed wire and barbless wire strand increased 5 percent from 171,310 tons in 1982 to 179,536 tons in 1983, and decreased by 5 percent to 171,293 tons in 1984. Capacity increased 6 percent in January-March 1985 compared with that in the corresponding period of 1984. The industry experienced losses in the production capacity of low tensile wire partially because of the closing of Armco, Inc., and Atlantic Steel operations. Increases in the production capacity for high tensile wire were largely the result of * * *. Reported capacity for barbless wire increased steadily during the period of investigation.

Average capacity utilization for the subject products increased from 41.8 percent in 1982 to 43.6 percent in 1983, and then decreased to 36.8 percent in 1984. Average capacity utilization decreased to 41.8 percent in January-March 1985 compared with 50.5 percent in the corresponding period of 1984. Capacity utilization of low tensile and high tensile barbed wire followed similar overall trends. Reported capacity utilization of barbless wire increased steadily from 1982 to 1984, then declined slightly in January-March 1985 compared with capacity utilization in January-March 1984.

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Table 1.--Barbed wire and barbless wire strand: U.S. producers' domestic shipments, imports for consumption, and apparent U.S. consumption, 1982-84, January-March 1984, and January-March 1985

Item and period	Producers' domestic shipments	Imports 1/	Apparent consumption	Ratio to consumption of--	
				Producers' shipments	Imports
	Tons			Percent	
Barbed wire and barbless wire strand:					
1982	76,153	18,465	94,618	80	20
1983	80,710	29,272	109,982	73	27
1984	65,457	28,299	93,756	70	30
January-March--					
1984	22,279	7,943	30,222	74	26
1985	21,924	6,408	28,332	77	23
Low tensile barbed wire:					
1982	***	***	***	***	***
1983	***	***	***	***	***
1984	***	***	***	***	***
January-March--					
1984	***	***	***	***	***
1985	***	***	***	***	***
High tensile barbed wire:					
1982	***	***	***	***	***
1983	***	***	***	***	***
1984	***	***	***	***	***
January-March--					
1984	***	***	***	***	***
1985	***	***	***	***	***
Barbless wire strand:					
1982	***	***	***	***	***
1983	***	***	***	***	***
1984	***	***	***	***	***
January-March--					
1984	***	***	***	***	***
1985	***	***	***	***	***

1/ Import data for low tensile and high tensile barbed wire are not reported separately in official import statistics. Data used are adjusted to reflect responses to the importer's questionnaire.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table 2.--Barbed wire and barbless wire strand: U.S. production, production capacity, and capacity utilization, by products, 1982-84, January-March 1984, and January-March 1985

Item	1982	1983	1984	January-March--	
				1984	1985
Production:					
Low tensile----short tons--	***	***	***	***	***
High tensile---------do----	***	***	***	***	***
Barbless wire strand 1/--------do----	***	***	***	***	***
Total----------	71,609	78,276	62,966	21,416	18,748
Capacity:					
Low tensile----short tons--	***	***	***	***	***
High tensile---------do----	***	***	***	***	***
Barbless wire strand 2/--------do----	***	***	***	***	***
Total----------	171,310	179,536	171,293	42,420	44,884
Capacity utilization:					
Low tensile-------percent--	***	***	***	***	***
High tensile---------do----	***	***	***	***	***
Barbless wire strand 2/--------do----	***	***	***	***	***
Average----------	41.8	43.6	36.8	50.5	41.8

1/ Firms reporting data accounted for * * * percent of U.S.-produced barbless wire strand shipped domestically in 1984.

2/ Firms reporting data accounted for * * * percent of U.S.-produced barbless wire strand shipped domestically in 1984.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. producers' shipments and inventories

Total U.S.-produced domestic shipments of the subject products rose 6 percent from 1982 to 1983 and then declined 19 percent from 1983 to 1984 (table 3). Total domestic shipments dropped slightly in January-March 1985 compared with such shipments in January-March 1984. Low tensile wire shipments followed a similar trend, as did high tensile wire shipments, except for an increase in January-March 1985. Reported shipments of barbless wire increased from 1982 to 1984 before decreasing in January-March 1985 compared with such shipments in January-March 1984.

Only two firms, * * * and * * *, reported exports of barbed wire products that were produced in their establishments. Those exports were of low tensile wire and occurred in 1982 and 1983, representing less than 0.1 percent of total shipments in those years.

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Table 3.--Barbed wire and barbless wire strand: U.S. producers' domestic shipments, and end-of-period inventories, by types, 1982-84, January-March 1984, and January-March 1985

Item	1982	1983	1984	January-March--	
				1984	1985
Domestic shipments:					
Barbed wire:					
Low tensile--short tons--	***	***	***	***	***
High tensile-------do----	***	***	***	***	***
Barbless wire strand-do----	***	***	***	***	***
Total--------------do----	76,153	80,710	65,457	22,279	21,924
End-of-period inventories:					
Barbed wire:					
Low tensile 1/-----do----	***	***	***	***	***
High tensile-------do----	***	***	***	***	***
Barbless wire strand 2/--------do----	***	***	***	***	***
Total--------------do----	7,127	8,022	6,408	6,979	5,328
Ratio of inventories to domestic shipments:					
Barbed wire:					
Low tensile 3/--percent--	***	***	***	4/ ***	4/ ***
High tensile-------do----	***	***	***	4/ ***	4/ ***
Barbless wire strand 3/--------do----	***	***	***	4/ ***	4/ ***
Average 3/---------do----	9.5	10.4	10.7	4/ 8.4	4/ 6.6

1/ Firms reporting data accounted for * * * percent of U.S.-produced low tensile wire shipped domestically in 1984.

2/ Firms reporting data accounted for * * * percent of U.S.-produced barbless wire strand shipped domestically in 1984.

3/ Calculations exclude firms that did not report inventories data.

4/ Calculated on the basis of annualized shipments data.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. producers' yearend inventories of the subject products increased 13 percent from 1982 to 1983 and then fell 20 percent in 1984. As of March 31, 1985, inventories were 24 percent lower compared with those of March 31, 1984. Inventories of low tensile wire decreased steadily during the period of investigation. Yearend inventories of high tensile wire and barbless wire strand increased from 1982 to 1983, then decreased in 1984 and continued to drop as of March 31, 1985, compared with respective inventories as of March 31, 1984.

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During the period of investigation no U.S. producer was an importer of record of the subject merchandise; however, * * * and * * * reported purchases of imported high tensile barbed wire. * * * stated that * * *. 1/ * * *. An official of * * * stated that his firm purchases imports from * * * to fill out its product line. 2/ * * *. High tensile wire imports purchased by U.S. producers are shown in the following tabulation (in short tons):

Firm	1982	1983	1984	January-March-- 1984	1985
* * *	*	*	*	*	*

U.S. employment and productivity

Data on employment were obtained from 10 of the 11 U.S. producers of barbed wire and barbless wire strand (table 4). The number of production and related workers employed in the production of the subject merchandise increased by 6 percent from 1982 to 1983, then declined by 13 percent from 1983 to 1984. Total employment was 27 percent higher in January-March 1985 compared with such employment in January-March 1984. Employment related to the production of low tensile wire followed a similar trend, whereas employment related to high tensile wire increased steadily, and reported employment related to barbless wire strand remained constant during the period covered by the investigation.

Average weekly hours worked by workers producing the subject merchandise decreased irregularly during the period of investigation. Average hours increased from 38.5 in 1982 to 38.9 in 1983, then decreased to 36.5 in 1984. Average weekly hours worked were lower in January-March 1985 compared with hours worked in January-March 1984.

Average wages paid to production and related workers producing the subject products decreased from $10.85 in 1982 to $9.65 in 1984, and fell to $10.52 in January-March 1985 compared with $11.64 in the corresponding period of 1984. During the period of investigation, wages paid to low tensile wire workers decreased steadily, whereas wages paid to high tensile wire workers increased regularly. Reported wages paid to workers producing barbless wire strand remained relatively constant.

Total hourly compensation paid to production and related workers producing the subject products decreased irregularly from $17.28 per worker in 1982 to $16.05 in 1984, and remained at about $16.40 in January-March of 1984 and 1985. Total compensation paid to workers producing low tensile wire followed the overall trend, whereas compensation paid to high tensile wire workers rose steadily. Total compensation paid to workers producing barbless wire increased from 1982 to 1983 and then declined in 1984.

1/ Staff conversation with * * *.
2/ Staff conversation with * * *.

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Table 4.--Average number of production and related workers engaged in the manufacture of barbed wire and barbless wire strand, hours worked by such workers, wages paid, total compensation, 1/ and output per hour, by types of wire, 1982-84, January-March 1984, and January-March 1985

Item	1982	1983	1984	January-March--	
				1984	1985
Number of workers:					
Barbed wire:					
Low tensile	***	***	***	***	***
High tensile	***	***	***	***	***
Barbless wire strand	***	***	***	***	***
Total	183	194	168	128	163
Hours worked:					
Barbed wire:					
Low tensile per worker, per week	***	***	***	***	***
High tensile-------do	***	***	***	***	***
Barbless wire strand-do	***	***	***	***	***
Average----------do	38.5	38.9	36.5	43.8	39.3
Wages paid:					
Barbed wire:					
Low tensile per worker, per hour	***	***	***	***	***
High tensile-------do	***	***	***	***	***
Barbless wire strand-do	***	***	***	***	***
Average----------do	$10.85	$ 9.84	$ 9.65	$11.64	$10.52
Total compensation:					
Barbed wire:					
Low tensile per worker, per hour	***	***	***	***	***
High tensile-------do	***	***	***	***	***
Barbless wire strand-do	***	***	***	***	***
Average----------do	$17.28	$15.82	$16.05	$16.41	$16.38
Output per hour: 2/					
Barbed wire:					
Low tensile------pounds	***	***	***	***	***
High tensile-------do	***	***	***	***	***
Barbless wire strand-do	***	***	***	***	***
Average----------do	402	395	372	572	435

1/ Firms reporting data for low tensile wire, high tensile wire, and barbless wire strand accounted for * * * percent, * * * percent, and * * * percent, respectively, of domestic shipments of those products in 1984.

2/ Calculations exclude 1 firm, accounting for * * * percent of domestic shipments of low tensile barbed wire in 1984, that did not report hours data.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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In the aggregate, productivity of workers involved in the production of the subject products decreased steadily during the period of investigation. The productivity of workers producing both low tensile and high tensile wire tracked the overall trend, whereas reported productivity of the barbless wire strand workers showed no clear trend.

Five U.S. producers reported layoffs during the period of investigation. Layoffs at Armco, Inc., and Atlantic Steel Co. were because of permanent closings of their barbed wire operations in 1983. * * *. 1/

Eight of the U.S. producers reported that their workers were represented by one of three unions: the Teamsters, the United Steel Workers of America, and the Independent Steel Workers Alliance. Workers at * * * and * * * are not represented by unions.

Financial experience of U.S. producers

Eight firms, 2/ accounting for * * * percent of U.S. shipments of domestically produced barbed wire and barbless wire strand in 1984, furnished usable income-and-loss data concerning both their establishment operations and their operations on barbed wire alone. Five of the eight reporting firms supplied usable income-and-loss data concerning their operations producing low tensile barbed wire and two of the eight firms supplied income-and-loss data relative to their operations producing high tensile barbed wire. One of the eight reporting firms supplied data concerning its barbless wire strand operations.

Overall establishment operations.--Net sales of all products produced in the establishments within which barbed wire and barbless wire strand are produced dropped from $1.5 billion to $1.2 billion, or by 18 percent, between 1982 and 1983 (table 5). In 1984, net sales rebounded back to their 1982 level. Net sales were $377 million during the interim period ending March 31, 1985, 6 percent less than the $403 million level achieved during the corresponding period of 1984. Sales of the subject merchandise accounted for 3 percent or less of total establishment net sales in each of the reporting periods. In the aggregate, the overall establishment operation of these eight firms sustained an operating loss, a net loss, and a negative cash flow in each of the reporting periods. During 1983-84, the operating losses ranged from a high of $152 million, or 12.4 percent of net sales, in 1983 to a low of $49.4 million, or 3.3 percent of net sales, in 1984. The 1985 interim operating loss was $21.1 million, or 5.6 percent of net sales, compared with an operating loss of $16.4 million, or 4.1 percent of net sales, for the corresponding period of 1984.

Barbed wire operations.--Net sales of barbed wire declined annually from $39.8 million to $26.5 million, or by 33 percent, during 1982-84 (table 6). Seventy-seven percent of the overall decline in net sales occurred in 1984. Net sales of barbed wire continued to decline during interim 1985, dipping 13 percent to $8.5 million, compared with net sales of $9.7 million during the corresponding period of 1984. The quantity of net sales of barbed wire

1/ During a Sept. 23, 1985 telephone conversation, * * *.
2/ Data are for * * *.

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Table 5.--Income-and-loss experience of 8 U.S. firms on the overall operations of their establishments within which barbed wire and barbless wire strand are produced, 1982-84, interim 1984, and interim 1985

Item	1982	1983	1984	Interim period ended Mar. 31--	
				1984	1985
Net sales-----1,000 dollars--	1,488,424	1,226,356	1,489,156	403,077	377,307
Cost of goods sold-----do-----	1,553,832	1,302,256	1,463,332	398,550	377,436
Gross income or (loss)-do----	(65,408)	(75,900)	25,824	4,527	(129)
General, selling, and administrative expenses 1,000 dollars--	81,173	76,076	75,241	20,894	20,928
Operating loss---------do----	(146,581)	(151,976)	(49,417)	(16,367)	(21,057)
Other income or (expense), net---------1,000 dollars--	(38,666)	(65,145)	(82,219)	(959)	(4,754)
Net loss before income taxes-------1,000 dollars--	(185,247)	(217,121)	(131,636)	(17,326)	(25,811)
Depreciation and amortization---------do----	82,948	77,739	56,020	13,939	14,594
Cash flow from operations 1,000 dollars--	(102,299)	(139,382)	(75,616)	(3,387)	(11,217)
Ratio to net sales:					
Gross income or (loss) percent--	(4.4)	(6.2)	1.7	1.1	1/
Operating loss-------do----	(9.9)	(12.4)	(3.3)	(4.1)	(5.6)
Net loss before income taxes-------do----	(12.4)	(17.7)	(8.8)	(4.3)	(6.8)
Cost of goods sold---do----	104.4	106.2	98.3	98.9	100.0
General, selling, and administrative expenses percent--	5.5	6.2	5.0	5.2	5.6
Number of firms reporting--					
Operating losses----------	6	5	3	5	7
Net losses----------	7	6	5	6	7

1/ Less than 0.05 percent.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table 6.--Income-and-loss experience of 8 U.S. firms on their operations producing barbed wire, 1982-84, interim 1984, and interim 1985 1/

Item	1982	1983	1984	Interim period ended Mar. 31--	
				1984	1985
Net sales:					
Value-------1,000 dollars--	39,826	36,794	26,540	9,720	8,455
Quantity-------short tons--	60,134	57,044	41,533	15,141	14,040
Cost of goods sold 1,000 dollars--	40,567	36,275	26,670	9,604	8,890
Gross income or (loss)-do----	(741)	519	(130)	116	(435)
General, selling, and administrative expenses 1,000 dollars--	2,302	2,063	1,570	651	540
Operating loss---------do----	(3,043)	(1,544)	(1,700)	(535)	(975)
Other income or (expense), net-------do----	(316)	(159)	(88)	(41)	(58)
Net loss before income taxes----------do----	(3,359)	(1,703)	(1,788)	(576)	(1,033)
Depreciation and amortization expense 2/--1,000 dollars--	824	1,002	1,076	331	340
Cash flow from operations----------do----	(2,535)	(701)	(712)	(245)	(693)
Ratio to net sales:					
Gross income or (loss) percent--	(1.9)	1.4	(0.5)	1.2	(5.1)
Operating loss-------do----	(7.7)	(4.2)	(6.4)	(5.5)	(11.5)
Net loss before income taxes-------do----	(8.4)	(4.6)	(6.7)	(5.9)	(12.2)
Cost of goods sold---do----	101.9	98.6	100.5	98.8	105.1
General, selling, and administrative expenses percent--	5.8	5.6	5.9	6.7	6.4
Number of firms reporting--					
Operating losses----------	5	5	5	5	5
Net losses----------	5	5	5	5	5

1/ Armco ceased producing barbed wire in May 1983 and Atlantic ceased producing such merchandise in December 1983.

2/ Depreciation and amortization data are for 4 firms.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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followed the same trend as the value of such sales during the reporting period, dropping 31 percent during 1982-84 and 7 percent during interim 1985, compared with the corresponding period of 1984. The eight reporting firms sustained aggregate operating and net losses in each of the reporting periods. During 1982-84, the operating losses ranged downward from $3.0 million, or 7.7 percent of net sales, in 1982 to $1.5 million, or 4.2 percent of net sales, in 1983. These eight firms sustained an aggregate operating loss of $975,000, or 11.5 percent of net sales, during interim 1985, compared with an operating loss of $535,000, or 5.5 percent of net sales, during the corresponding period of 1984. Net losses before income taxes closely tracked the trend of operating losses during the reporting period. Five of the eight reporting firms sustained operating and net losses in each of the reporting periods.

U.S. producers sustained negative cash flows from their barbed wire operations in each of the reporting periods, ranging downward during 1982-84, from $2.5 million in 1982 to $701,000 in 1983. 1/ The interim 1985 negative cash flow amounted to $693,000, compared with a negative cash flow of $245,000 during the corresponding period of 1984.

The income-and-loss experience of U.S. producers, stated in terms of average per ton selling prices, production costs, and general, selling, and administrative (GS&A) expenses, is shown in the following tabulation (per ton):

Period	Average selling price	Average cost to produce	Average GS&A expenses	Average operating loss
1982	$662	$674	$38	$50
1983	645	636	36	27
1984	639	642	38	41
Interim 1984	642	634	43	35
Interim 1985	602	633	38	69

Low tensile barbed wire operations.--The five reporting U.S. firms' net sales of low tensile barbed wire rose from $24.3 million to $28.1 million, or by 15 percent, during 1982-83 (table 7). In 1984, such sales dropped 24 percent to $21.4 million. Net sales continued to decline during interim 1985, dropping 23 percent to $6.2 million, compared with net sales of $8.0 million during the corresponding period of 1984. The quantity of net sales, in short tons, rose 19 percent in 1983, declined 22 percent in 1984, and then fell another 15 percent during interim 1985, compared with that of the corresponding period of 1984. This group of firms also sustained operating

1/ Only four of the eight firms reported depreciation and amortization data relative to their barbed wire operations.

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Table 7.--Income-and-loss experience of 5 U.S. firms on their operations producing low tensile barbed wire, 1982-84, interim 1984, and interim 1985

Item	1982	1983	1984	Interim period ended Mar. 31--	
				1984	1985
Net sales:					
Value-------1,000 dollars--	24,314	28,064	21,449	7,989	6,163
Quantity-------short tons--	36,358	43,105	33,416	12,394	10,528
Cost of goods sold 1,000 dollars--	24,437	27,247	21,259	7,806	6,517
Gross income or (loss)-do----	(123)	817	190	183	(354)
General, selling, and administrative expenses 1,000 dollars--	1,255	1,536	1,242	520	373
Operating loss---------do----	(1,378)	(719)	(1,052)	(337)	(727)
Other income or (expense), net-------do----	22	(5)	(10)	(1)	(9)
Net loss before income taxes----------do----	(1,356)	(724)	(1,062)	(338)	(736)
Depreciation and amortization expense 1/--1,000 dollars--	***	***	***	***	***
Cash flow from operations----------do----	***	***	***	***	***
Ratio to net sales:					
Gross income or (loss) percent--	(0.5)	2.9	0.9	2.3	(5.7)
Operating loss-------do----	(5.7)	(2.6)	(4.9)	(4.2)	(11.8)
Net loss before income taxes-------do----	(5.6)	(2.6)	(5.0)	(4.2)	(11.9)
Cost of goods sold---do----	100.5	97.1	99.1	97.7	105.7
General, selling, and administrative expenses percent--	5.2	5.5	5.8	6.5	6.1
Number of firms reporting--					
Operating losses----------	3	3	4	4	4
Net losses----------	3	3	4	4	4

1/ Depreciation and amortization data are for 3 firms.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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losses, net losses, and negative cash flows in each of the reporting periods. The operating losses were equal to 5.7 percent of net sales in 1982, 2.6 percent in 1983, 4.9 percent in 1984, and 11.8 percent during interim 1985, compared with 4.2 percent during the corresponding period of 1984. Three of these firms sustained operating and net losses in 1982 and 1983 and four firms sustained such losses in the other reporting periods.

High tensile barbed wire operations.--Two U.S. firms reported income-and-loss data concerning their operations producing high tensile barbed wire. One of these firms * * * and the other firm * * *. Net sales of such wire were * * * in 1983, * * * in 1984, and * * * during interim 1985, compared with * * * during the corresponding period of 1984 (table 8). These two firms * * *. * * *.

Barbless wire strand.--One firm, * * *, furnished income-and-loss data concerning its operations producing barbless wire strand (table 9). * * *.

Investment in productive facilities.--U.S. producers' investment in productive facilities employed in the production of barbed wire and barbless wire strand, valued at cost, rose from * * * to * * * during 1982-84 and January-March 1985 (table 10). The book value of such assets was * * * as of March 31, 1985.

Capital expenditures.--U.S. producers made capital expenditures of * * * in 1982 for facilities used in the production of all barbed wire (table 11). Capital expenditures in 1983 were * * *, and those of 1984 were * * *. Capital expenditures were * * * during January-March 1985, compared with capital expenditures of * * * during the corresponding period of 1984.

Capital and investment.--U.S. producers were asked to describe any actual or potential negative effects of imports of barbed wire and barbless wire strand from Argentina, Brazil, and Poland on their firm's growth, investment, and ability to raise capital. Excerpts from their replies are shown below:

* * * * * * *

The Question of the Threat of Material Injury

In its examination of the question of the threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase in LTFV imports, the rate of increase of U.S. market penetration by such imports, the quantities of such imports held in inventory in the United States, and the capacity of producers in Argentina to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of the subject merchandise and of the U.S. market penetration of such imports is presented in the section of this report entitled "Consideration of the Causal Relationship Between the LTFV Imports and the Alleged Injury." Discussions of the available information concerning importers' inventories of such products and the capacity of producers in Argentina to generate exports follow.

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Table 8.--Income-and-loss experience of 2 U.S. firms on their operations producing high tensile barbed wire, 1982-84, interim 1984, and interim 1985 1/

Item	1982	1983	1984	Interim period ended Mar. 31--	
				1984	1985
Net sales:					
Value-------1,000 dollars--	***	***	***	***	***
Quantity-------short tons--	***	***	***	***	***
Cost of goods sold 1,000 dollars--	***	***	***	***	***
Gross income or (loss)-do----	***	***	***	***	***
General, selling, and administrative expenses 1,000 dollars--	***	***	***	***	***
Operating loss---------do----	***	***	***	***	***
Other income or (expense), net-------do----	***	***	***	***	***
Net loss before income taxes----------do----	***	***	***	***	***
Depreciation and amortization expense-----1,000 dollars--	***	***	***	***	***
Cash flow from operations----------do----	***	***	***	***	***
Ratio to net sales:					
Gross income or (loss) percent--	***	***	***	***	***
Operating loss-------do----	***	***	***	***	***
Net loss before income taxes-------do----	***	***	***	***	***
Cost of goods sold---do----	***	***	***	***	***
General, selling, and administrative expenses percent--	***	***	***	***	***
Number of firms reporting--					
Operating losses----------	***	***	***	***	***
Net losses----------	***	***	***	***	***

1/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table 9.--Income-and-loss experience of * * * on its operation producing barbless wire strand, 1982-84, interim 1984, and interim 1985

Item	1982	1983	1984	Interim period ended Mar. 31--	
				1984	1985
Net sales:					
Value-------1,000 dollars---	***	***	***	***	***
Quantity-------short tons---	***	***	***	***	***
Cost of goods sold 1,000 dollars---	***	***	***	***	***
Gross income----------do----	***	***	***	***	***
General, selling, and administrative expenses 1,000 dollars---	***	***	***	***	***
Operating income-------do----	***	***	***	***	***
Other income or (expense), net-------do----	***	***	***	***	***
Net income before income taxes----------do----	***	***	***	***	***
Depreciation and amortization expense-----1,000 dollars---	***	***	***	***	***
Cash flow from operations----------do----	***	***	***	***	***
Ratio to net sales:					
Gross income------percent---	***	***	***	***	***
Operating income-----do----	***	***	***	***	***
Net income before income taxes-------do----	***	***	***	***	***
Cost of goods sold---do----	***	***	***	***	***
General, selling, and administrative expenses percent---	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaire of the U.S. International Trade Commission.

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Table 10.--Investment in productive facilities related to barbed wire and barbless wire strand, 1982-84, Mar. 31, 1984, and Mar. 31, 1985 1/

(In thousands of dollars)

Item	1982	1983	1984	As of Mar. 31--	
				1984	1985
Investment in productive facilities:					
All products:					
Original cost	794,636	805,263	1,236,533	1,309,036	1,243,372
Book value	438,280	428,114	600,375	685,668	586,054
Barbed wire and barbless wire strand:					
Original cost	***	***	***	***	***
Book value	***	***	***	***	***
Low tensile barbed wire:					
Original cost	***	***	***	***	***
Book value	***	***	***	***	***
High tensile barbed wire:					
Original cost	***	***	***	***	***
Book value	***	***	***	***	***
Barbless wire strand:					
Original cost	***	***	***	***	***
Book value	***	***	***	***	***

1/ Data concerning all products are for 6 firms during 1982 and 1983, and for 7 firms for 1984, interim 1984, and interim 1985. Data concerning all barbed wire are for 4 firms in each reporting period and that for low tensile barbed wire are for 3 firms. Data for high tensile barbed wire and barbless wire strand are for 1 firm.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table 11.--Capital expenditures related to barbed wire, 1982-84, January-March 1984, and January-March 1985 1/

(In thousands of dollars)

Item	1982	1983	1984	January-March	
				1984	1985
Capital expenditures--					
All products:					
Land	477	152	252	96	-
Buildings	8,839	1,997	4,114	62	635
Machinery and equipment	74,498	33,225	51,870	15,328	7,865
Total	83,814	35,374	56,236	15,486	8,500
Low tensile barbed wire:					
Land	***	***	***	***	***
Buildings	***	***	***	***	***
Machinery and equipment	***	***	***	***	***
Total	***	***	***	***	***
High tensile barbed wire:					
Land	***	***	***	***	***
Buildings	***	***	***	***	***
Machinery and equipment	***	***	***	***	***
Total	***	***	***	***	***
Total barbed wire:					
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Machinery and equipment	***	***	***	***	***
Total	***	***	***	***	***

1/ Eight firms supplied data relative to their overall establishment capital expenditures for 1982 and 1983. Nine firms supplied such data for 1984, January-March 1984, and January-March 1985. Two of these firms made capital expenditures relative to their barbed wire operations in 1982, 1983, and interim 1984. Five firms made such expenditures in 1984 and January-March 1985.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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U.S. importers' inventories

Two of the six responding importers of the subject merchandise from Argentina reported inventories of barbed wire. 1/ * * *.

* * * * * * *

The foreign producer and its capacity to generate exports

The Commission requested the U.S. Department of State and counsel for the respondents to obtain updated data on Argentine production, exports, domestic shipments, and capacity to produce the subject merchandise in this investigation. According to officials contacted in Argentina by the U.S. embassy, there have been no significant changes in the operations of Acindar Industria Argentina, "the sole exporter of these products for the period reported, and almost the sole domestic supplier." The following data regarding Acindar's barbed wire and barbless wire strand operations were provided by counsel for Acindar.

Argentina's production of the subject merchandise increased * * * percent from 1982 to 1983, then decreased * * * percent from 1983 to 1984 (table 12). Production was down * * * percent in January-June 1985 compared with production in January-June 1984. * * *. 2/ Argentine domestic shipments accounted for * * * percent of Argentina's total shipments during 1982, * * * in subsequent periods. * * * was the largest export market for Argentine barbed wire during the period of investigation, accounting for * * * percent of Argentine exports during 1982-84. * * *.

Consideration of the Causal Relationship Between the LTFV Imports and the Alleged Injury

U.S. imports

In the aggregate, U.S. imports of barbed wire and barbless wire strand from Argentina increased from 506 tons in 1982 to 3,814 tons in 1983, before dropping slightly to 3,739 tons in 1984 (table 13). 3/ Imports from Argentina were 61 percent lower in January-March 1985 than in the corresponding period

1/ Most importers of barbed wire and barbless wire strand are trading companies that prefer to sell the products on a "back to back" basis whereby the trading company first obtains an order from a U.S. customer and then approaches foreign producers to negotiate filling the order. This process allows the trading companies to keep their inventories to a minimum.

2/ * * *.

3/ Counsel for Acindar has urged the Commission to use its data on Acindar's exports to the United States in place of official import statistics reported by the Department of Commerce (transcript of the hearing, p. 40). However, differences in data reported by the 2 sources appear to simply reflect the lag that exists between the time shipments are recorded as exports by Acindar and the time such shipments are recorded as imports by Commerce. The difference between total exports of these products from Argentina (shown in table 12) and total imports (shown in table 13) for the overall 1982-84 period is * * * tons, or * * * percent.

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Table 12.--Barbed wire and barbless wire strand: Argentina's production, capacity, capacity utilization, domestic shipments, and exports, 1982-84, January-June 1984, and January-June 1985

Item	1982	1983	1984	January-June--	
				1984	1985
Production-------short tons--	***	***	***	***	***
Capacity----------do----	***	***	***	***	***
Capacity utilization percent--	***	***	***	***	***
Exports to--					
United States--short tons--	***	***	***	***	***
All other countries--do----	***	***	***	***	***
Total----------do----	***	***	***	***	***
Domestic shipments-----do----	***	***	***	***	***
Total shipments----do----	***	***	***	***	***
Ratio to total shipments:					
Exports----------percent--	***	***	***	***	***
Domestic shipments---do----	***	***	***	***	***
Ratio of exports to the United States to total exports----------percent--	***	***	***	***	***

Source: Compiled from data submitted by counsel for Acindar.

of 1984. In terms of quantity, Argentina was the fifth-leading source of imports of barbed wire and barbless wire strand in 1984, accounting for 13 percent of imports. Brazil was the leading source, accounting for 26 percent of imports, followed by Korea (19 percent), Belgium (15 percent), and Poland (13 percent).

U.S. imports of barbed wire and barbless wire strand from all sources increased by 59 percent from 1982 to 1983 before decreasing by 3 percent in 1984. Imports declined by 19 percent in January-March 1985 from the level of January-March 1984. Barbed wire accounted for 98 to 99 percent of total imports of these products during 1982-84.

Barbed wire.--U.S. imports of barbed wire from Argentina increased from 506 tons in 1982 to 3,771 tons in 1983 and then decreased by 2 percent to 3,687 tons in 1984 (table 14). During January-March 1985, imports from Argentina were down 61 percent from those in January-March 1984. On the basis of quantity, the share of total imports of barbed wire supplied by Argentina increased from 3 percent in 1982 to 13 percent in 1984. In 1984, 34 percent of the barbed wire imports from Argentina entered the United States through the Port of New Orleans, LA, and 15 percent entered through the Port of Houston, TX.

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Table 13.--Barbed wire and barbless wire strand: U.S. imports for consumption, by principal sources, 1982-84, January-March 1984, and January-March 1985

Source	1982	1983	1984	January-March--	
				1984	1985
	Quantity (tons)				
Argentina	506	3,814	3,739	1,296	511
Brazil	2,658	4,904	7,261	1,624	2,359
Poland	1,020	4,664	3,783	852	1,395
Republic of Korea	6,452	4,578	5,387	1,815	656
Belgium	3,823	4,210	4,112	924	615
All other	4,005	7,102	4,017	1,432	872
Total	18,465	29,272	28,299	7,943	6,408
	Value (1,000 dollars)				
Argentina	294	1,461	1,477	478	196
Brazil	1,219	2,031	2,867	684	924
Poland	445	1,649	1,261	288	443
Republic of Korea	2,925	1,921	2,050	699	246
Belgium	2,495	2,770	2,594	582	351
All other	1,978	3,127	1,820	679	361
Total	9,356	12,959	12,068	3,410	2,520
	Unit value (per ton)				
Argentina	580	383	395	369	383
Brazil	458	414	395	421	392
Poland	436	354	333	338	318
Republic of Korea	453	420	380	385	374
Belgium	652	658	631	630	571
All other	494	440	453	474	413
Average	507	443	426	429	393
	Percent of total quantity				
Argentina	2.7	13.0	13.2	16.3	8.0
Brazil	14.4	16.8	25.6	20.4	36.8
Poland	5.5	15.9	13.4	10.7	21.8
Republic of Korea	34.9	15.6	19.0	22.8	10.2
Belgium	20.7	14.4	14.5	11.6	9.6
All other	21.7	24.3	14.2	18.0	13.6
Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table 14.--Barbed wire: 1/ U.S. imports for consumption, by principal sources, 1982-84, January-March 1984, and January-March 1985

Source	1982	1983	1984	January-March--	
				1984	1985
	Quantity (tons)				
Argentina	506	3,771	3,687	1,254	495
Brazil	2,544	4,883	7,091	1,624	2,239
Poland	1,009	4,653	3,783	852	1,395
Republic of Korea	6,316	4,541	5,332	1,771	642
Belgium	3,823	4,210	4,112	924	615
All other	3,967	6,868	3,723	1,347	860
Total	18,165	28,927	27,729	7,772	6,247
	Value (1,000 dollars)				
Argentina	294	1,445	1,458	463	191
Brazil	1,173	2,023	2,804	684	880
Poland	441	1,645	1,261	288	443
Republic of Korea	2,859	1,906	2,040	693	240
Belgium	2,495	2,770	2,594	582	351
All other	1,955	3,013	1,657	645	353
Total	9,216	12,802	11,813	3,353	2,458
	Unit value (per ton)				
Argentina	580	383	395	369	385
Brazil	461	414	396	421	393
Poland	437	354	333	338	318
Republic of Korea	453	420	382	391	374
Belgium	653	658	631	630	571
All other	493	439	445	479	410
Average	507	443	426	432	394
	Percent of total quantity				
Argentina	2.8	13.0	13.3	16.1	7.9
Brazil	14.0	16.9	25.6	20.9	35.8
Poland	5.6	16.1	13.6	11.0	22.3
Republic of Korea	34.8	15.7	19.2	22.8	10.3
Belgium	21.0	14.6	14.8	11.9	9.8
All other	21.8	23.7	13.4	17.3	13.8
Total	100.0	100.0	100.0	100.0	100.0

1/ Official statistics do not separate low tensile and high tensile barbed wire.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Barbless wire strand.--U.S. imports of barbless wire strand from Argentina increased from nothing in 1982 to 43 tons in 1983 and 52 tons in 1984, and then fell to 16 tons in January-March 1985 compared with 42 tons in the corresponding period of 1984 (table 15). On the basis of quantity, the share of total imports of barbless wire strand supplied by Argentina increased from nothing in 1982 to 9 percent in 1984. In 1984, 40 percent of the barbless wire strand imports from Argentina entered through the Port of New Orleans, LA, and 31 percent entered through the Port of Houston, TX.

U.S. market penetration by LTFV imports

Imports of barbed wire and barbless wire strand from Argentina as a share of U.S. apparent consumption increased from 0.5 percent in 1982 to 4.0 percent in 1984, then dropped to 1.8 percent in January-March 1985 compared with a share of 4.3 percent in January-March 1984 (table 16). Such imports from all other countries as a share of U.S. consumption tracked the same trend as Argentine imports during the period covered by the investigation. Conversely, the U.S. producers' share of such consumption decreased from 80.5 percent in 1982 to 69.8 percent in 1984, and increased to 77.4 percent in January-March 1985 compared with a share of 73.7 percent in the corresponding period of 1984.

Imports of low tensile wire from Argentina as a share of U.S. consumption increased irregularly from 1982 to 1984, and rose slightly in January-March 1985 compared with the share in January-March 1984. The U.S. producers' share of low tensile wire consumption decreased irregularly from 1982 to 1984, and was virtually unchanged in January-March 1985 compared with the share in January-March 1984.

Imports of high tensile wire from Argentina as a share of U.S. consumption increased steadily from 1982 to 1984 and then fell sharply in January-March 1985. The U.S. producers' share of high tensile wire consumption decreased irregularly from 1982 to 1984, then rose in January-March 1985 compared with the share in January-March 1984.

Barbless wire strand from Argentina decreased as a share of U.S. consumption from 1983 to 1984 and in January-March 1985. The U.S. producers' share of such consumption decreased steadily during the period covered by the investigation.

Table 15.--Barbless wire strand: U.S. imports for consumption, by principal sources, 1982-84, January-March 1984, and January-March 1985

Source	1982	1983	1984	January-March--	
				1984	1985
	Quantity (tons)				
Argentina	0	43	52	42	16
Mexico	38	139	169	86	9
Brazil	114	21	169	0	120
Republic of Korea	137	36	55	44	14
United Kingdom	0	0	76	0	0
All other	1	105	49	0	3
Total	300	345	571	171	161
	Value (1,000 dollars)				
Argentina	-	17	19	15	5
Mexico	21	62	71	34	4
Brazil	46	8	62	-	44
Republic of Korea	66	15	11	6	5
United Kingdom	-	-	61	-	-
All other	7	56	31	-	4
Total	139	157	255	55	62
	Unit value (per ton)				
Argentina	-	$385	$359	$361	$340
Mexico	$544	448	421	403	457
Brazil	401	366	367	-	366
Republic of Korea	486	412	193	134	369
United Kingdom	-	-	804	-	-
All other	566	528	627	-	1,219
Average	464	456	446	324	384
	Percent of total quantity				
Argentina	0.0	12.4	9.2	24.5	9.8
Mexico	12.6	40.4	29.6	50.0	5.5
Brazil	38.0	6.0	29.7	0.0	74.0
Republic of Korea	45.4	10.5	9.6	25.5	8.8
United Kingdom	0.0	0.0	13.3	0.0	0.0
All other	4.0	30.6	8.7	0.0	1.8
Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table 16.--Barbed wire and barbless wire strand: Ratios of imports and U.S. producers' domestic shipments to apparent U.S. consumption, by products and selected sources, 1982-84, January-March 1984, and January-March 1985

(In percent)

Product and source	1982	1983	1984	January-March--	
				1984	1985
Barbed wire and barbless wire strand:					
Argentina	0.5	3.5	4.0	4.3	1.8
All other countries	19.0	23.1	26.2	22.0	20.8
U.S.-produced	80.5	73.4	69.8	73.7	77.4
Total	100.0	100.0	100.0	100.0	100.0
Low tensile barbed wire: 1/					
Argentina	***	***	***	***	***
All other countries	***	***	***	***	***
U.S.-produced	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0
High tensile barbed wire: 1/					
Argentina	***	***	***	***	***
All other countries	***	***	***	***	***
U.S.-produced	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.00
Barbless wire strand:					
Argentina	***	***	***	***	***
All other countries	***	***	***	***	***
U.S.-produced	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0

1/ Import data for low tensile and high tensile barbed wire are not reported separately in official import statistics. Data used are adjusted to reflect responses to the importer's questionnaire.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Because of rounding, figures may not add to the totals shown.

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Prices

U.S. producers and importers of barbed wire and barbless wire strand usually quote prices on an f.o.b. factory or port-of-entry basis, with the purchaser paying for shipping. Quantity discounts are not generally given to purchasers. Transportation is usually provided by the purchasers' own trucks or by an independent trucker. Data obtained in the investigation indicate that transportation costs typically account for about 4 percent of the purchaser's cost of the barbed wire. Barbed wire is often shipped with other, less bulky and lighter wire, such as chicken wire, in order to help defray shipping costs.

Producers and importers were requested, during the final investigation, to provide the Commission with the net f.o.b. prices they received for their largest sale, and purchasers were requested to provide delivered prices for their largest purchase, of barbless wire strand and of each of the following four representative types of barbed wire in each quarter from January 1982 through March 1985:

(1) 12.5-gauge barbed wire with 2 points and 5-inch spacing;
(2) 12.5-gauge barbed wire with 4 points and 5-inch spacing;
(3) 15.5-gauge barbed wire with 2 points and 5-inch spacing; and
(4) 15.5-gauge barbed wire with 4 points and 5-inch spacing.

Producers and importers were requested to report prices both on a per reel basis and a per ton basis, whereas purchasers were requested to report prices only on a per reel basis. Requests for prices on a per ton basis were made of producers and importers because in the preliminary investigation some stated that prices were quoted on that basis. However, at the hearing, witnesses stated that prices are quoted on a per reel basis. Purchasers contacted by the staff consistently confirmed that purchases are made on a per reel basis. Consequently, prices are discussed in this section only on a per reel basis. 1/

Weighted-average f.o.b. selling prices reported by producers and importers and weighted-average delivered prices reported by purchasers during the final investigation for the 12.5-gauge, 4-point barbed wire specification and the 15.5-gauge, 4-point specification are shown in tables 17-20. Price data received from importers for the 2-point barbed wire specifications and for barbless wire were very limited. Therefore, no tables are presented for 12.5-gauge, 2-point barbed wire; 15.5-gauge, 2-point barbed wire; and barbless wire strand. The price data reported by U.S. producers for each of the five specifications either remained relatively stable or showed a slight downward trend throughout January 1982-March 1985. Imports from Argentina undersold the domestically produced products in each period for which comparisons could be made.

1/ The data show that on a per ton basis, 15.5-gauge barbed wire (predominantly high tensile wire) is substantially more expensive than 12.5-gauge barbed wire (predominantly low tensile wire). However, on a per reel basis, the method of sale to the end user, the price of 15.5-gauge barbed wire is less than the price of 12.5-gauge barbed wire.

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12.5-gauge, 2-point barbed wire.--The domestic weighted-average price per reel ranged from a low of * * * in January-March 1985 to a high of * * * during April-June 1982. Domestic prices per reel increased * * * percent from January-March 1982 to April-June 1982, then fell * * * percent by January-March 1985. Only three prices were reported for imports from Argentina. Margins of underselling of U.S.-produced barbed wire by imports from Argentina ranged from a low of * * * percent in October-December 1983 to a high of * * * percent in January-March 1984.

12.5-gauge, 4-point barbed wire.--U.S. producers' and importers' prices and margins of underselling of the domestic product by imports from Argentina for this specification of barbed wire are presented in table 17. The domestic weighted-average price per reel ranged from a low of * * * in January-March 1985 to a high of * * * in April-June 1983. Domestic prices per reel, though fluctuating, remained essentially stable from January-March 1982 through July-September 1984 before falling 8.8 percent by January-March 1985. Prices for imports from Argentina remained relatively stable from July 1983 to March 1985. There were no reported prices of imports of 12.5-gauge, 4-point barbed wire prior to July 1983. The margins of underselling by imports from Argentina ranged from a low of 31.2 percent in January-March 1985 to a high of 39.4 percent in July-September 1983.

Purchase prices and margins of underselling of the domestic product by imports from Argentina for this specification of barbed wire are presented in table 18. The domestic weighted-average price per reel ranged from a low of * * * in January-March 1985 to a high of * * * in July-September 1984. Domestic prices per reel were relatively stable until January-March 1985 when prices decreased 10.2 percent compared with prices of the previous quarter. Prices for imports from Argentina remained relatively stable except for January-March 1984 and January-March 1985, when prices rose 34.2 percent and fell 33.5 percent, respectively, from those of the previous quarter. The margins of underselling by imports from Argentina ranged from a low of 30.1 percent in January-March 1984 to a high of 58.3 percent in January-March 1985.

15.5-gauge, 2-point barbed wire.--The domestic weighted-average price per reel of 15.5-gauge, 2-point barbed wire declined * * * percent during the entire period. The domestic price per reel ranged from a low of * * * in January-March 1985 to a high of * * * in January-March 1982. There were no data reported on imports from Argentina.

15.5-gauge, 4-point barbed wire.--U.S. producers' and importers' prices and margins of underselling of the domestic product by imports from Argentina for this type of barbed wire are presented in table 19. The domestic weighted-average price per reel ranged from a low of * * * in January-March 1985 to a high of * * * in January-March 1982. Domestic prices per reel fell by 8.0 percent from January 1982 to March 1985. Prices of this type of barbed wire from Argentina decreased 9.3 percent from January-March 1982 to January-March 1984 and then increased 31.7 percent by October-December 1984. The margin of underselling by imports from Argentina ranged from a low of 10.5 percent in January-March 1985 to a high of 33.3 percent in April-June 1984.

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Table 17.--Barbed wire (12.5-gauge, 4-point, 5-inch spacing): U.S. producers' and importers' weighted-average net f.o.b. selling prices per reel and margins of underselling by imports, by quarters, January 1982-March 1985

Period	U.S. product price	Argentine product price	Imports' margin of underselling
	Per reel		Percent
1982:			
January-March	***	1/	-
April-June	***	1/	-
July-September	***	1/	-
October-December	***	1/	-
1983:			
January-March	***	1/	-
April-June	***	1/	-
July-September	***	***	39.4
October-December	***	***	34.2
1984:			
January-March	***	***	37.0
April-June	***	***	37.9
July-September	***	***	37.9
October-December	***	1/	-
1985:			
January-March	***	***	31.2

1/ No sales reported.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Purchase prices and margins of underselling of the domestic product by imports from Argentina for this type of barbed wire are presented in table 20. The domestic weighted-average price per reel ranged from a low of * * * in January-March 1985 to a high of * * * in January-March 1984. Domestic prices per reel fluctuated downward during January-March 1983 to January-March 1985, declining 4.3 percent overall. Prices of this type of barbed wire from Argentina increased 5.1 percent from January-March 1983 to July-September 1983 and then dropped 7.1 percent by October-December 1984. The margin of underselling by imports from Argentina ranged from a low of 9.1 percent in July-September 1983 to a high of 12.9 percent in January-March 1983 and April-June 1984.

Barbless wire strand.--The domestic weighted-average price per reel of barbless wire strand ranged from a low of * * * in January-March 1984 to a high of * * * in October-December 1982. Except for the * * * price in October-December 1982, domestic prices showed a slight downward trend. There were three reported prices from Argentina. Margins of underselling of U.S.-produced barbless wire strand by imports from Argentina were * * * percent, * * * percent, and * * * percent in January-March 1984, July-September 1984, and January-March 1985, respectively.

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Table 18.--Barbed wire (12.5-gauge, 4-point, 5-inch spacing): Purchasers' weighted-average net delivered purchase prices per reel of domestic and Argentine barbed wire and margins of underselling by imports, by quarters, January 1983-March 1985

Period	U.S. product price	Argentine product price	Imports' margin of underselling
	Per reel		Percent
1983:			
January-March	***	1/	-
April-June	***	***	45.0
July-September	***	***	45.3
October-December	***	***	49.7
1984:			
January-March	***	***	30.1
April-June	***	***	43.6
July-September	***	***	46.5
October-December	***	1/	-
1985:			
January-March	***	***	58.3

1/ No sales reported.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 19.--Barbed wire (15.5-gauge, 4-point, 5-inch spacing): U.S. producers' and importers' weighted-average net f.o.b. selling prices per reel and margins of underselling by imports, by quarters, January 1982-March 1985

Period	U.S. product price	Argentine product price	Imports' margin of underselling
	Per reel		Percent
1982:			
January-March	***	***	29.5
April-June	***	***	27.5
July-September	***	***	26.3
October-December	***	***	29.8
1983:			
January-March	***	***	29.3
April-June	***	***	29.6
July-September	***	***	19.1
October-December	***	***	30.5
1984:			
January-March	***	***	33.2
April-June	***	***	33.3
July-September	***	***	15.7
October-December	***	***	12.6
1985:			
January-March	***	***	10.5

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table 20.--Barbed wire (15.5-gauge, 4-point, 5-inch spacing): Purchasers' weighted-average net delivered purchase prices per reel of domestic and Argentine barbed wire and margins of underselling by imports, by quarters, January 1983-March 1985

Period	U.S. product price	Argentine product price	Imports' margin of underselling
	Per reel		Percent
1983:			
January-March	***	***	12.9
April-June	***	***	12.6
July-September	***	***	9.1
October-December	***	1/	-
1984:			
January-March	***	***	10.4
April-June	***	***	12.9
July-September	***	1/	-
October-December	***	***	11.3
1985:			
January-March	***	1/	-

1/ No sales reported.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Exchange rates

Quarterly data reported by the International Monetary Fund indicate that during January 1982 through March 1985 the nominal value of the Argentine peso depreciated relative to the U.S. dollar by 99.6 percent (table 21). Because the level of inflation in Argentina was vastly higher than that in the United States over the 12-quarter period ended December 1984, the real value of the peso depreciated by 20.5 percent relative to the U.S. dollar during that period--significantly less than the apparent relative depreciation of 99.2 percent represented by changes in the nominal exchange-rate index.

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Table 21.--Exchange rates: Nominal exchange-rate equivalents of the Argentine peso in U.S. dollars, real exchange-rate equivalents, and producer price indicators in the United States and Argentina, indexed by quarters, January 1982-March 1985

Period	U.S. producer price index	Argentine producer price index	Nominal exchange-rate index	Real exchange-rate index 1/
			---Dollars per peso--	
1982:				
January-March	100.0	100.0	100.0	100.0
April-June	100.1	124.2	75.1	93.2
July-September	100.5	211.8	27.2	57.3
October-December	100.6	308.7	24.4	74.9
1983:				
January-March	100.7	443.2	17.8	78.5
April-June	101.0	590.2	13.1	76.7
July-September	102.0	900.2	9.6	84.4
October-December	102.5	1,498.2	5.8	84.2
1984:				
January-March	103.6	2,290.6	3.7	81.5
April-June	104.3	3,805.9	2.5	90.9
July-September	104.1	6,375.1	1.5	90.6
October-December	103.9	10,645.6	.8	79.5
1985:				
January-March	103.6	2/	.4	2/

1/ The real exchange-rate index is the nominal exchange-rate index adjusted for the difference between inflation rates in the United States and Argentina.
2/ Not available.

Source: International Monetary Fund, International Financial Statistics, May 1985.

Note.--January-March 1982=100.

Lost sales

Domestic producers were requested to furnish the Commission with customer names, quantities, and dates relating to sales of low and high tensile barbed wire and barbless wire strand they had lost since January 1, 1982, to imports of comparable products from Argentina. Two U.S. producers reported four allegations of lost sales to imports from Argentina and Brazil. 1/

* * * alleged that it lost sales of * * * tons (* * * reels) of 4-point, 12.5-gauge barbed wire, valued at * * * and * * * tons (* * * reels) of 2-point, 12.5-gauge barbed wire, valued at * * * to * * * in two instances in October 1983 because of imports from Argentina and Brazil. * * * alleged that its quotations of * * * per ton were rejected, and that * * * purchased the imports for * * * per ton. A * * * official stated that the firm has had to

1/ These producers were unable to distinguish sales lost to imports from Argentina from sales lost to imports from Brazil.

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purchase barbed wire from Argentina and Brazil in order to stay competitive. He added that the domestic producers do not react to market conditions and are not willing to meet the foreign competition in terms of price. The official was not willing to comment on either of * * * specific lost sales allegations.

* * * alleged that it lost * * * of 2-point, 12.5-gauge barbed wire to * * * in 1984, because of imports from Argentina and Brazil. * * * alleged that its quotation of * * * per ton was rejected and that * * * purchased the imported product for * * * per ton. Officials of * * * stated that the firm purchases products from * * *, all importers of barbed wire from foreign sources including Argentina. Although they were not aware of the firm buying Argentine barbed wire, they admitted that they generally do not know the country of origin of such imports. One * * * official indicated that * * * had recently purchased * * * and * * * barbed wire in addition to * * * wire. He alleged that in general, U.S. producers' prices were typically $5 to $8 higher per reel than importers' prices; however, * * *.

* * * alleged that it lost sales of * * * of 2-point, 12.5-gauge barbed wire offered at * * * per ton, in 1984 and the first quarter of 1985, to * * * because of imports from Argentina and Brazil. * * * alleged that * * * purchased the imported product at * * * per ton. A representative of * * * stated that the firm has * * *. Thus, it is not possible to verify specific lost sales allegations without time consuming research efforts. However, he stated that it is highly likely that * * * did purchase the imported products during the relevant periods.

Lost revenues

* * * cited two incidents of lost revenue on sales of barbed wire to U.S. customers because of competing products from Argentina. * * * also alleged that it lost revenue in two other incidents to U.S. customers because of imports of subject products from a number of countries including Argentina.

* * * alleged that it lost revenue on a sale involving * * * tons of 4-point, 12.5-gauge barbed wire in August 1984, to * * * because of price competition with Argentine wire. * * * alleged that it lost revenue amounting to * * * in this sale. An official of * * * stated that * * * did lower its price in August 1984, on a large sale of 4-point, 12.5-gauge barbed wire. However, he stated that Argentina was not the sole source of imports providing * * * with serious price competition; imports from Brazil, Poland, and the Republic of Korea were also pressuring * * * to lower its prices.

* * * alleged that it lost revenue in a December 1983 sale involving * * * tons of 4-point, 12.5-gauge barbed wire to * * * because of price competition with imports of Argentine barbed wire. The amount of revenue allegedly lost was * * *. * * * also alleged that it lost revenue amounting to * * * in a December 1983 sale to * * * because of price competition with imports from Argentina, Brazil, and Poland. This allegation involved * * * tons of 4-point, 12.5-gauge barbed wire. A spokesman for * * * stated that * * * had reduced its prices of barbed wire on several occasions as a result of lower prices from Argentina, Brazil, and Poland.

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* * * alleged that it lost revenue amounting to * * * in a February 1985 sale to * * * due to price competition with imports from Argentina and Brazil. The alleged incident involved * * * tons of 4-point, 12.5-gauge barbed wire. An official of * * * stated that it was probably true that such a transaction occurred, because * * * prefers to purchase U.S.-produced products. The official stated that if there was a 10-percent or less price differential between the U.S. and imported products, his firm would purchase the U.S. products. He stated that Argentine wire had been $17 per reel, but currently Argentine and Brazilian wire are $19 to $20 per reel, whereas U.S. wire is currently $22 per reel. The * * * official offered the following comments: * * *.

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APPENDIX A

FEDERAL REGISTER NOTICES

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[Investigations Nos. 731-TA-208, 209, and 210 (Final)]

Barbed Wire and Barbless Wire Strand From Argentina, Brazil, and Poland

AGENCY: International Trade Commission.

ACTION: Institution of final antidumping investigations and scheduling of a hearing to be held in connection with the investigations..

SUMMARY: The Commission hereby gives notice of the institution of final antidumping investigations Nos. 731-TA-208, 209, and 210 (Final) (under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarted, by reason of imports from Argentina, Brazil, and Poland of barbed wire and of barbless wire strand,[1] provided for in items 642.02 and 642.11, respectively, of the Tariff Schedules of the United States, which have been found by the Department of Commerce, in preliminary determinations, to be sold in the United States at less than fair value (LTFV). Unless the investigations are extended, Commerce will make its final LTFV determinations on or before July 15, 1985 and the Commission will make its final injury determinations by August 29, 1985 (see sections 735(a) and 735(b) of the act (19 U.S.C. 1673d(a) and 1673(b))).

For further information concerning the conduct of these investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and C (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201, as amended by 49 FR 32569, Aug. 15, 1984).

EFFECTIVE DATE: May 2, 1985.

FOR FURTHER INFORMATION CONTACT: Martha Mitchell (202-523-0620), Office of Investigations, U.S. International Trade Commission, 701 E. Street NW, Washington, DC 20436.

[1] The Department of Commerce has described these products as barbed wire and barbless fencing wire. For purposes of the Commission's investigations, these products are described as low tensile and high tensile barbed wire and loosely twisted double wire strand suitable for fencing purposes.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted as a result of affirmative preliminary determinations by the Department of Commerce that imports of barbed wire and barbless fencing wire from Argentina, Brazil, and Poland are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the act (19 U.S.C. 1673). These investigations were requested in petitions filed on November 19, 1984 by Forbes Steel and Wire Corp., Canonsburg, PA. The petitions were also supported by CF&I Steel Corp., Pueblo, CO, Davis Walker Corp., Los Angeles, CA, and Oklahoma Steel Wire Corp., Madill, OK. In response to those petitions the Commission conducted preliminary antidumping investigations and, on the basis of information developed during the course of those investigations, determined that there was a reasonable indication that an industry in the United States was materially injured by reason of imports of the subject merchandise (50 FR 1135, January 9, 1985).

Participation in the Investigations

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in §201.11 of the Commission's rules of practice and procedure (19 CFR 201.11), not later than twenty-one (21) days after the publication of this notice in the **Federal Register**. Any entry of appearance filed after this date will be referred to the Chairwoman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Service List

Pursuant to §201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with §201.16(c) of the rules (19 CFR 201.16(c), as amended by 49 FR 32569, Aug. 15, 1984), each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Staff Report

A public version of the prehearing staff report in these investigations will be placed in the public record on July 5, 1985, pursuant to §207.21 of the Commission's rules (19 CFR §207.21).

Hearing

The Commission will hold a hearing in connection with these investigations beginning at 10:00 a.m. on July 24, 1985 at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on July 18, 1985. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 9:30 a.m. on July 17, 1985 in room 117 of the U.S. International Trade Commisison Building. The deadline for filing prehearing briefs is July 17, 1985.

Testimony at the public hearing is governed by §207.23 of the Commission's rules (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. Any written materials submitted at the hearing must be filed in accordance with the procedures described below and any confidential materials must be submitted at least (3) working days prior to the hearing (see §201.6(b)(2) of the Commission's rules (19 CFR 201.6(b)(2), as amended by 49 FR 32569, Aug. 15, 1984)).

Written Submissions

All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with §207.22 of the Commission's rules (19 CFR §207.22). Posthearing briefs must conform with the provisions of §207.24 (19 CFR 207.24) and must be submitted not later than the close of business on July 31, 1985. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before July 31, 1985.

A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with §201.8 of the Commission's rules (19 CFR §201.8, as amended by 49 FR 32569, Aug. 15, 1984). All written submissions except for confidential business data will be

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available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6, as amended by 49 FR 32569, Aug. 15, 1984).

Authority

These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to section 207.20 of the Commission's rules (19 CFR 207.20, as amended by 49 FR 32569, Aug. 15, 1984).

By Order of the Commission.

Issued: May 20, 1985.

Kenneth R. Mason,

Secretary.

[FR Doc. 85-12987 Filed 5-29-85; 8:45 am]

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INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-208, 209, and 210 (Final)]

Barbed Wire and Barbless Wire Strand From Argentina, Brazil, and Poland

AGENCY: United States International Trade Commission.

ACTION: Termination of investigation No. 731-TA-210 (Final), Barbed Wire and Barbless Wire Strand from Poland and rescheduling of the hearing to be held in connection with investigations Nos. 731-TA-208 and 209 (Final), Barbed Wire and Barbless Wire Strand from Argentina and Brazil.

SUMMARY: On July 15, 1985, the Commission received a letter from petitioner in the subject investigations (Forbes Steel and Wire Corp.) which stated, with respect to the investigation on Poland, that it ". . . withdraws the above-described petition without prejudice" and that "the Commission is requested to terminate the investigation." Accordingly, pursuant to § 207.40(a) of the Commission's Rules of Practice and Procedure (19 CFR 207.40(a)), the following investigation is terminated:

Barbed Wire and Barbless Wire Strand from Poland (investigation No. 731-TA-210 (Final)).

The Commission further announces the rescheduling of the hearing to be held in connection with the investigations on Argentina and Brazil from 10:00 a.m. on July 24, 1985, to 10:00 a.m. on September 23, 1985.

For further information concerning the conduct of the investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and C (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201, as amended by 49 FR 32569, Aug. 15, 1984).

EFFECTIVE DATE: July 18, 1985.

FOR FURTHER INFORMATION CONTACT: Robert Carpenter (202-523-0399), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002.

SUPPLEMENTARY INFORMATION:

Background

Effective May 2, 1985, the Commission instituted the subject investigations and scheduled a hearing to be held in connection therewith for July 24, 1985 (50 FR 23083). Subsequently, the Department of Commerce extended the date for its final determinations in the investigations on Argentina and Brazil from July 15, 1985 to September 16, 1985. The Commission, therefore, is revising its schedule in the investigations to conform with Commerce's new schedule. As provided in section 735(b)(2)(B) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)(2)(B)), the Commission must make its final determinations in antidumping investigations within 45 days of Commerce's final determinations, or in these cases by October 30, 1985.

Staff report

A public version of the prehearing staff report in these investigations was placed in the public record on July 5, 1985, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearing

The Commission will hold a hearing in connection with these investigations beginning at 10:00 a.m. on September 23, 1985, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Requests to appear at

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the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on September 12, 1985. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 9:30 a.m. on September 17, 1985, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is September 17, 1985.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. Any written materials submitted at the hearing must be filed in accordance with the procedures described below and any confidential materials must be submitted at least three (3) working days prior to the hearing (see § 201.6(b)(2) of the Commission's rules (19 CFR 201.6(b)(2), as amended by 49 FR 32569, Aug. 15, 1984)).

Written submissions

All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 of the Commission's rules (19 CFR 207.22). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on October 1, 1985. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before October 1, 1985.

A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8, as amended by 49 FR 32569, Aug. 15, 1984). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6, as amended by 49 FR 32569, Aug. 15, 1984).

Authority: these investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20, as amended by 49 FR 32569, Aug. 15, 1984)

By Order of the Commission.

Issued: July 17, 1985.

Kenneth R. Mason,

Secretary.

[FR Doc. 85-17365 Filed 7-19-85; 8:45 am]

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[Investigation No. 731-TA-209 (Final)]

Barbed Wire and Barbless Wire Strand From Brazil

AGENCY: International Trade Commission.

ACTION: Termination of investigation.

SUMMARY: On July 29. 1985. the Commission received a letter from petitioner in the subject investigation (Forbes Steel and Wire Corp.) which stated. with respect to the cited investigation. that "* * * it withdraws its petition * * * without prejudice and requests the Commission to terminate the investigation." Accordingly. pursuant to § 207.40(a) of the Commission's Rules of Practice and Procedure (19 CFR 207.40(a)). the following investigation is terminated: Barbed Wire and Barbless Wire Strand from Brazil (investigation No. 731-TA-209 (Final)).

EFFECTIVE DATE: August 1. 1985.

FOR FURTHER INFORMATION CONTACT: Martha Mitchell (202-523-0430). Office of Investigations. U.S. International Trade Commission. 701 E Street NW.. Washington. DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002.

Authority: This investigation is being terminated under authority of the Tariff Act of 1930. title VII. This notice is published pursuant to § 207.40 of the Commission's rules (19 CFR 207.40).

Issued: August 7. 1985.

By order of the Commission.

Kenneth R. Mason.

Secretary.

[FR Doc. 85-19367 Filed 8-13-85; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-357-406]

Barbed Wire and Barbless Fencing Wire From Argentina: Final Determination of Sales at Less Than Fair Value

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: We have determined that barbed wire and barbless fencing wire from Argentina are being, or are likely to be, sold in the United States at less than fair value. We have notified the U.S. International Trade Commission (ITC) of our determination. We are directing the U.S. Customs Service to continue to suspend the liquidation of all entries of barbed wire and barbless fencing wire from Argentina that are entered, or withdrawn from warehouse, for consumption, on or after May 3, 1985, and to require a cash deposit or bond for each entry in an amount equal to 69.02 percent *ad valorem*.

EFFECTIVE DATE: September 23, 1985.

FOR FURTHER INFORMATION CONTACT: John J. Kenkel, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (20) 377-4929.

Final Determination

Based upon our investigation, we have determined that barbed wire and barbless fencing wire ("barbed wire") from Argentina are being, or are likely to be, sold in the United States at less than fair value, as provided in section 735(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1673d(a)) (the Act).

We made fair value comparisons for all sales of merchandise to the United States during the period of investigation. Comparisons were based on the United States price and foreign market value. The weighted-adverse margin for barbed wire is 69.02 percent *ad valorem* and our final determination with regard to barbed wire is affirmative. We also found that critical circumstances do not exist with respect to imports of barbed wire from Argentina.

Case History

On November 19, 1984, we received a petition from the Forbes Steel & Wire Corporation on behalf of the domestic barbed wire industry. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitioners alleged that imports of barbed wire from Argentina are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that these imports are materially injuring or are threatening material injury to a United States industry. We notified the ITC of our action and initiated an investigation on December 10, 1984 (49 FR 48128). On January 3, 1985, the ITC determined that there is a reasonable indication that imports of barbed wire from Argentina are materially injuring a U.S. industry.

We presented an antidumping duty questionnaire on February 19, 1985, to counsel for Acindar, the sole Argentine producer of the products under investigation for export to the United States.

On April 29, 1985, we made an affirmative preliminary determination (50 FR 23339).

On May 24, 1985, we extended the date for the final determination until not later than September 16, 1985.

We verified Acindar's questionnaire response in May, July and August. A hearing was held on August 1, 1985.

Products Under Investigation

The products under investigation are barbed wire and barbless fencing wire, currently provided for in items 642.0200 and 642.1105 of the *Tariff schedules of the United States, Annotated*.

According to the petition, Acindar accounted for substantially all of the

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exports of this merchandise to the United States. We investigated all sales by Acindar of barbed wire during the period June 1 through November 30, 1984.

Fair Value Comparisons

To determine whether sales of the subject merchandise in the United States were made at less than fair value, we compared the United States price with the foreign market value.

United States Price

We used the purchase price of the subject merchandise, as provided in section 772(b) of the Act, to represent the United States price because the merchandise was sold to unrelated U.S. purchasers prior to its importation into the United States. We calculated the purchase price based on the C&F price to U.S. unrelated purchasers. We deducted foreign brokerage and handling charges and ocean freight. We added a portion of the amount of indirect taxes which were later rebated by reason of exportation of the merchandise under investigation to the United States Act in accordance with section 772(d)(1)(C) of the Act.

Foreign Market Value

In accordance with section 773(a)(1), we used home market prices for calculating foreign market value. We made comparisons of "such or similar" merchandise based on tensile grade as determined by the Department's expert on steel product classifications.

We deducted inland freight and discounts, and added in export packing. We made adjustments for differences in circumstances of sale related to commissions and credit expense pursuant to § 353.15 of our regulations. We also made adjustments for differences in the physical characteristics of the merchandise, pursuant to § 353.16 of the regulations. Where there were commissions in one market and not in the other, we offset the commissions with indirect selling expenses in the other market.

In calculating foreign market value, we made currency conversions from Argentine pesos to United States dollars in accordance with § 353.56(a)(1) of our regulations, using the certified daily exchange rates.

Negative Determination of Critical Circumstances

The petitioner alleged that imports of barded wire from Argentina present "critical circumstances." Under section 735(a)(3) of the Act, critical circumstances exist if we have a reasonable basis to believe or suspect that (1) there is a history of dumping in the United States or elsewhere of the class or kind of the merchandise which is the subject of the investigation; or the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise which is the subject of the investigation at less than its fair value; and (2) there have been massive imports of the class or kind of merchandise that is the subject of the investigation over a relatively short period.

In determining whether there have been massive imports over a relatively short time period, we considered the following factors: (1) Whether imports have surged recently, (2) recent trends in import penetration levels, (3) whether the recent imports are significantly above the average calculated over the last three years, and (4) whether the pattern of imports over that three year period may be explained by seasonal swings.

In considering this question, we analyzed recent trade statistics on import levels and import penetration ratios for barbed wire from Argentina for the periods immediately preceding and subsequent to the filing of the petition. Based on our analysis of recent trade data, we find that imports of barbed wire from Argentina do not appear massive over a relatively short period.

We, therefore, did not need to consider whether there is a history of dumping of barbed wire from Argentina or whether the person by whom or for whose account these products were imported knew or should have known that the exporters were selling these products at less than fair value.

For the reasons described above, we determine that "critical circumstances" do not exist with respect to barbed wire from Argentina.

Verification

In accordance with section 776(a) of the Act, we verified the information provided by the respondent by using standard verification procedures, including examination of relevant sales and accounting records of the company.

Petitioner's Comments

Comment 1

Petitioner suggests that in order to obtain comparable fair value comparisons only those home market sales that occurred within a relatively brief span of time prior to or subsequent to the date of sale to the United States should be considered as the basis for determining foreign market value.

DOC Position

We agree. We have compared sales to the United States with a monthly weighted-average home market price in order to take into account the effects of inflation.

Comment 2

Petitioner requests that we examine carefully the payment terms of Acindar's home market sales to determine whether accounts receivable are indexed to account for the effects of inflation.

DOC Position

We found that the respondent added the cost of credit to the base price of its barbed wire sales in the home market to account for the effects of inflation. We have treated this added revenue as an increase in the home market price. No other indexation occurs.

Comment 3

Second quality sales listed in respondent's original response should not be considered for the purpose of determining home market sales price and making fair value comparisons.

DOC Position

We agree. All second quality sales were removed from the respondent's revised response, and were not included in the Department's calculations.

Comment 4

The use of averaging techniques by the respondent to calculate the cost of inland freight is inappropriate. In addition, the cost of inland freight should be calculated monthly and not for the entire period of investigation due to the high rate of inflation in Argentina.

DOC Position

The cost use for inland freight was calculated using monthly data. The averaging technique employed by the respondent pertained only to shipments of barbed wire to customers. We checked freight invoices and found that the average used by the respondent was appropriate.

Comment 5

The respondent claims several types of deduction from the list price of the merchandise: Standard discount, supplemental discount, cash discount and deferred discounts in the form of credit notes. The Department should ascertain that these deductions are real, meet the criteria of the regulations and are applicable to the sales in question and not to future purchases.

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DOC Position

We have allowed all of the above-mentioned deductions because they were granted on the sales under investigation and resulted on a reduction of the net return to the respondent.

Comment 6

The respondent appears to have used averaging techniques and not actual data in calculating credit costs in the home market.

DOC Position

The respondent submitted actual data on interest rates and days payment was outstanding for home market sales in its revised response. These data were used to compute average monthly credit costs.

Comment 7

The Department should not allow an offset for commissions paid in the United States. Respondent's payment of a commission to its own salesmen in the home market is simply an intra-company transfer of funds which does not qualify as an offset to the commission paid in the United States.

DOC Position

We disagree. When commissions are paid to unrelated parties in one market but not in the other, the Department's regulations allow an offset for other selling expenses, in this case in the home market. Therefore, we have allowed an adjustment for all indirect selling expenses, including salaries and commissions paid to the respondent's salesmen in the home market.

Comment 8

The Department should not allow an adjustment for bad debt losses because they are simply one of the general costs incurred by being in business and are indirect selling expenses which do not qualify as a circumstance of sale adjustment of foreign market value.

DOC Position

We agree. We did not allow this adjustment.

Comment 9

If the Department allows an adjustment to the U.S. price based on the "reembolso" (the rebate upon export of indirect prior and final stage taxes) it should limit the adjustment to that amount of the rebate that covers taxes directly imposed on inputs which are physically incorporated into the export product.

DOC Position

For the reasons set forth in our "Final Determination of Sales at Less Than Fair Value: Carbon Steel Wire Rod from Argentina" (49 FR 38170), we determine that the intent of Congress generally was to provide comparable treatment of indirect tax rebates in both antidumping and countervailing duty investigations. Unlike the wire rod investigation, there is no companion countervailing duty investigation covering barbed wire. For this reason, we do not know whether the amount of indirect taxes rebated upon export constitutes an over-rebate. However, the respondent in the current investigation was also the respondent in the wire rod investigation, and the respondent uses the wire rod it produces in manufacturing barbed wire. In the countervailing duty investigation of wire rod we determined that while the wire rod producer received a rebate of 10 percent of the FOB export price, the actual tax incidence on components physically incorporated in the exported product amounted to 7.6 percent of the FOB export price. Because the respondent in the current investigation is an integrated producer of barbed wire, it is reasonable to assume that the same tax incidence applying to wire rod also applies to barbed wire. Therefore, for purposes of this investigation, we have limited the addition to United States price to the amount established in the wire rod investigation as representing the tax incidence on components physically incorporated in the exported product.

Comment 10

If the respondent has insufficient short-term dollar loans to finance its exports and must borrow pesos to make up the shortfall, then the peso interest rate is the appropriate rate to use in making adjustments for differences in credit costs.

DOC Position

We disagree. It is the Department's practice that when a respondent borrows dollars in the short-term which are used to finance exports, it is not necessary to determine whether other short-term borrowings of other currencies also finance exports. Thus, in this investigation we have used the short-term interest rate for dollars to calculate the cost of credit for U.S. sales.

Comment 11

The Department erred in the preliminary determination in not finding that critical circumstances exist.

DOC Position

See the section above on our determination of critical circumstances.

Respondent's Comment

The Department should make an adjustment for bad debt.

DOC Position

We disagree. Bad debt could not be shown to be directly related to the sales under investigation. Therefore, we did not adjust for it.

ITC Determination

In accordance with section 735(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-confidential information relating to this investigation. We will allow the ITC access to all privileged and confidential information in our files, provided the ITC confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration. The ITC will determine whether imports of barbed wire materially injure, or threaten material injury to, a U.S. industry within 45 days after we make our final determination.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the United States Customs Service to continue to suspend liquidation of all entries of barbed wire from Argentina that are entered, or withdrawn from warehouse, for consumption, on or after May 3, 1985. The United States Customs Service shall require a cash deposit equal to the weighted-average amount by which the foreign market value of the merchandise subject to this investigation exceeds the United States price as shown in the table below. This suspension of liquidation will remain in effect until further notice.

Manufacturer/producer/exporter	Weighted-average margin percentage
Acindar	69.02
All others	69.02

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This determination is published pursuant to section 735(d) of the Act (19 U.S.C. 1673d(d)).

William T. Archey,

Acting Assistant Secretary for Trade Administration.

September 18, 1985.

[FR Doc. 85-22703 Filed 9-20-85; 8:45 am]

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APPENDIX B

CALENDAR OF PUBLIC HEARING

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CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject : Barbed Wire and Barbless Wire Strand from Argentina

Inv. No. : 731-TA-208 (Final)

Date and time: September 23, 1985 - 10:00 a.m.

Sessions were held in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

IN SUPPORT OF THE IMPOSITION OF ANTIDUMPING DUTIES:

Wiley & Rein--Counsel
Washington, D.C.
on behalf of

Forbes Steel and Wire Corporation

Lester Nolan, Chairman, Forbes Steel & Wire Corp.

Edgar Lauther, Assistant Vice-President, Forbes Steel & Wire Corporation

Max Moore, Vice-President, Oklahoma Steel and Wire Company, Inc.

Charles Owen Verrill, Jr.
Robert E. Nielsen
--OF COUNSEL

IN OPPOSITION TO THE IMPOSITION OF ANTIDUMPING DUTIES:

Baker & McKenzie--Counsel
Washington, D.C.
on behalf of

Acindar Industria Argentina de Aceros, S.A. ("Acindar")

Thomas P. Ondeck
Beth Schipper DeSimone
--OF COUNSEL

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